

The book cover features a background of a green leaf with prominent veins on the left, transitioning into a textured, aged paper surface in shades of yellow and orange on the right. The text is overlaid on this background.

OXFORD

International Relations  
Since the End of  
the Cold War

*New & Old Dimensions*

EDITED BY  
GEIR LUNDESTAD

## **International Relations Since the End of the Cold War**

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New and Old Dimensions

*Edited by*

Geir Lundestad

Norwegian Nobel Institute

**OXFORD**  
UNIVERSITY PRESS

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## Preface

In 1991 the Norwegian Nobel Institute established a research program. The program brought a small group of researchers to the Institute, where they spent some months working on topics of related interest. In a world of growing specialization, the Institute emphasized broad topics and brought together historians and political scientists. Many of the researchers came from the United States; that was only natural since so many of the leading ones worked at America's excellent universities. The Institute did, however, make a point of inviting some of the younger Russian and even Chinese scholars to Norway. At least they were young when they first came; they may not be so young now. The increasingly global approach of the Nobel Peace Prize should also be reflected in the focus of the Institute's research program.

The purpose of the research program was to take away any excuse the selected fellows might have had for not doing good research. The Nobel Institute provided them with a sparsely furnished office equipped with modern means of communication, a superb library, interesting colleagues, and a professional staff. The only obligation the fellows had was to present a research paper at the biweekly research seminar and to take part in the discussion about the papers of the other fellows. The discussions were always "frank." For some time we focused on various aspects of the Cold War. And for many years virtually all the leading books on the Cold War were produced by scholars who had spent at least some time at the Nobel Institute.

In 2011 the research program celebrated its twentieth anniversary. In all, almost 100 scholars had been brought to Oslo in these twenty years. It was decided to invite a group of them back to discuss what we had learned during that time. So, from June 22–6, 2011, about twenty-five of us met in Nyvågar in scenic Lofoten in Northern Norway to present our papers. As always, the papers were available in advance so that we could concentrate on spirited discussion. The current volume presents the heavily revised papers from this Nobel Symposium. Symposium is Greek for "drinking together"—we certainly did that, as well as swimming in the ocean way inside the Arctic Circle. But the emphasis was definitely on intellectual inquiry.

## Preface

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Two female researchers, Hope Harrison and Marie-Pierre Rey, presented papers at the symposium. Most unfortunately both of them were unable, for totally different reasons, to participate in the book project. Their absence is much regretted.

The editor would like to thank Asle Toje and Sigrid Langebrekke for their assistance before and during the symposium. At Oxford University Press he thanks Dominic Byatt for unflagging interest in his projects, and copy editor Anthony Mercer for great patience and expert skills in improving the language and style of contributors from so many different academic traditions.

G. L.

June 2012

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# Abbreviations

AMISOM	African Union Mission in Somalia
APEC	Asia–Pacific Economic Cooperation
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
AU	African Union
BASIC	Brazil, South Africa, India, China
BMD	Ballistic Missile Defense
BRIC	Brazil, Russia, India, and China
BRICS	Brazil, Russia, India, China, and South Africa
CCP	Chinese Communist Party
CFSP	common foreign and security policy
CINC	Composite Index of National Capability
COW	Correlates of War (project)
CTBT	Comprehensive Test Ban Treaty
CWC	Chemical Weapons Convention
DDR	disarmament, demobilization, and reintegration
EAS	East Asia Summit
EC	European Community
ECSC	European Coal and Steel Community
EEC	European Economic Community
EFSF	European financial stability facility
EMU	economic and monetary union
ESDP	European Security and Defence Policy
ESM	European stability mechanism
EU	European Union
FDI	foreign direct investment
FMCT	Fissile Material Cut-off Treaty

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FTAA	Free Trade Agreement for the Americas
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GLCM	ground-launched cruise missile
GNP	gross national product
GWT	Global War on Terror
H1N1	swine flu
H5N1	avian influenza (bird flu)
HEU	highly enriched uranium
IAEA	International Atomic Energy Agency
IBSA	India, Brazil, South Africa
ICBM	intercontinental ballistic missile
ICC	International Criminal Court
IMF	International Monetary Fund
INF	Intermediate-Range Nuclear Forces
JHA	justice and home affairs
LEU	low-enriched uranium
LRM	liberal–realist model
MAD	Mutually Assured Destruction
MERCOSUR	Common Market of the South
MIDs	militarized interstate disputes
MIRV	multiple independently targetable re-entry vehicle
NAFTA	North American Free Trade Agreement/Area
NAM	Non-Aligned Movement
NATO	North Atlantic Treaty Organization
NPT	Nuclear Nonproliferation Treaty
NSS	National Security Strategy
NWS	nuclear weapons states
OAS	Organization of American States
OECD	Organisation for Economic Co-operation and Development
OEEC	Organization for European Economic Cooperation
OPCW	The Organisation for the Prohibition of Chemical Weapons
PLA	People’s Liberation Army (China)
PPP	purchasing power parity

## Abbreviations

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PRC	People's Republic of China
PSI	Proliferation Security Initiative
R2P	Responsibility to Protect
R&D	research and development
S&T	science and technology
SAP	Social Action Program
SARS	severe acute respiratory syndrome
SCO	Shanghai Cooperation Organization
SDI	Strategic Defense Initiative
SLBM	submarine-launched ballistic missile
START	Strategic Arms Reduction Treaty
TINA	There Is No Alternative
UN	United Nations
UNASUR	Union of South American Nations
UNSC	UN Security Council
US	United States
USSR	Union of Soviet Socialist Republics
WMD	weapons of mass destruction
WTO	World Trade Organization

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# Introduction: The Past

*Geir Lundestad*

## **A new world order**

Every now and then new international orders are created. Events take place that have dramatic consequences for the international structure. The biggest and most dramatic of these changes are associated with wars between the major powers. Thus, the First World War resulted in the defeat of no fewer than four long-lasting empires. The Austro-Hungarian empire was dissolved; the Ottoman empire was transformed into modern Turkey; the Russian empire became the Soviet Union; the German empire was pronounced the aggressor, cut down in size, and became the Weimar Republic. The two leading powers were now, in many ways, the United States and the Soviet Union. Yet, Woodrow Wilson was forced to see his United States retreat into isolation again, at least in security matters vis-à-vis Europe. The country would not join the president's much cherished League of Nations. The new communist Soviet Union in part chose to isolate itself from the capitalist world, and, in part, was kept in isolation by the other leading powers. This was "socialism in one country."

The Second World War led to even larger changes in the international structure. The defeated powers—Germany, Japan, and Italy—were forced to surrender "unconditionally." They were all put under occupation. Their populations had to be 're-educated' before they could be let loose again. Germany ended up divided. West Germany, Italy, and Japan all became close allies of the United States. Britain and France were among the victors, but had both been badly damaged, although in very different ways. The fall of France in the spring of 1940 had been so sudden and complete that even President Charles de Gaulle could not win back France's traditional place in the international order. Britain had the most distinguished moral record of any power during



the Second World War, but the war had turned the old imperial power into the debtor of the United States, not only economically, but also militarily and even culturally. The colonial empires were to be dismantled. To keep India calm, promises of independence were made. It turned out, surprisingly quickly, that the promises London made to India could not be held back even from the British colonies in Africa. The other colonial powers also had to adjust to what Britain had conceded. Colonial wars inevitably led to defeat. The United States and the Soviet Union, the two powers that had made such dramatic but rather brief appearances in 1917, were now prepared to play their full roles. So complete was the defeat of the Old World that Western and Eastern Europe were now put under the administration of the two new powers. The United States ruled relatively benignly in the West, while the Soviet Union had to use blunter instruments in the East.

The Cold War did not result in direct war between the United States and the Soviet Union. In fact, in Europe “the long peace” prevailed. The Iron Curtain meant the separation of the Eastern and the Western parts. True, outside Europe the two superpowers fought many wars by proxy—from Korea and Vietnam, to Angola, Ethiopia, and Afghanistan. Millions lost their lives in these wars. In Niall Ferguson’s phrase, while there was no Third World War, there was indeed the Third World’s War(s).

The Cold War did result in the collapse of the Soviet Union. The long-term story of the Cold War appeared to be the rise of the Soviet Union to at least military equality with the United States. In the 1970s, the agreements about strategic weapons were based on this equality. Like the United States, the Soviet Union had gradually acquired the capability to intervene in the most distant corners of the world. The sad reality for the Kremlin, however, was that it was simply impossible for the Soviet Union to be the military equal of the United States when it was lagging so far behind in every other respect, particularly economically. In the 1970s and 1980s, the economic growth of the Soviet Union, which had been so promising in the earlier decades, came to a screeching halt.

The collapse of the Soviet Union meant that this was indeed America’s “unipolar moment.” The United States had been the leading economic power in the world, in terms of the size of its production, since around 1870. It had, however, long limited its own military and political role. Only after the Second World War was the United States prepared to play a role fully in accordance with its vast resources. Its policies became truly global. Yet, Washington’s One World visions were always limited by the role of the Soviet Union. During the Cold War there were at least two worlds—the one dominated by the United States, “the free world,” and that dominated by the Soviet Union, the communist world. In the first decades after 1945 the expansion of the Soviet Union did indeed appear to be the most striking phenomenon in

international relations. Central and Eastern Europe fell under the control of the Kremlin. China, the world's most populous country, also turned to communism. In the 1950s, Mao Tse-tung did definitely "lean to one side," the Soviet one. Only in hindsight did we see that the expansion of the United States may have been even more dramatic, in Western Europe, in Japan and the Pacific, and in many other parts of the world. Stalin never had a global foreign policy; Harry S. Truman did.

With the Soviet Union in great trouble, even after Mikhail Gorbachev launched his economic reforms in 1985, and the country abolished entirely in December 1991, the United States had a new freedom to act. This was the background for the Gulf War in 1991 and the Iraq War in 2003. If the Soviet Union had continued in existence, these wars would both have been too risky. No one could be certain what the Soviet response would have been. The United States also intervened against Serbia, both over Bosnia-Herzegovina and Kosovo, in Somalia, in Haiti, and in Afghanistan after September 11, 2001. The primary restraint on Washington was now its own doubts about what its role should really be. Under Bill Clinton the emphasis was on the American economy. The troubled state of this economy had made it possible for Clinton to defeat George H. W. Bush who had stood so triumphant in 1991 after the victory in the Cold War and the Gulf War. Yet the US economy was doing just fine in the 1990s. New jobs were created in mass numbers. Productivity rose to unexpected heights. And the federal budget ran a surplus, for the first time in decades.

Despite the celebration of Mikhail Gorbachev for his essential contributions in ending the Cold War, as reflected for instance in his receiving the Nobel Peace Prize all by himself in 1990—neither Ronald Reagan nor Bush was included with him—in power terms the essence of the new situation was the domination of the United States and the West. This was made uncharacteristically clear by Bush in February 1990 when he told German chancellor Helmut Kohl, who suggested the West should do more to help the struggling Gorbachev: "To hell with that! We prevailed, they didn't. We can't let the Soviets clutch victory from the jaws of defeat."<sup>1</sup>

After 1945 a brand new international structure had been created, at the international level with the UN, the International Monetary Fund (IMF), and the World Bank, and at the regional level with NATO, the Organization for European Economic Cooperation (OECE), and including security treaties with Japan and many other countries. This was a revolution in international affairs. At the end of the Cold War there was no revolution. The old structures were all kept; they were simply updated to include the now liberated countries of

<sup>1</sup> George W. Bush and Brent Scowcroft, *A World Transformed* (New York: Vintage Books, 1998), 253.

Central and Eastern Europe. Efforts by Gorbachev and French president Francois Mitterrand to create new European institutions were turned down by Washington, with the strong support of most European governments. There was little need to reform what had brought such huge success. The new additions were found elsewhere—for instance, the World Trade Organization (WTO) and the North American Free Trade Area (NAFTA).

After some, but rather limited, debate, the Clinton administration decided that the most eager and most important of the Central Europeans, Poland, the Czech Republic, and Hungary, should be admitted into NATO. Most of the other countries would follow later. It took a little longer for these countries to qualify for membership of the European Union (EU), but soon they were members even there. When the Soviet Union was dissolved in December 1991, even the three Baltic countries were soon free to join both NATO and the EU. Particularly after September 11 and the war in Afghanistan in 2001, Washington established important bases in several of the former Soviet republics in Central Asia.

Bill Clinton tried to combine this reversal of history with good relations with Russia. He cultivated his friendship with Boris Yeltsin; he brought Russia into the G7, which then became the G8; Russia entered into a partnership agreement with NATO; credits and loans were given to Moscow, although more from the new Germany than from the United States. Yet nothing could hide the simple fact that Russia was no longer a country of the first order. Many academics in the United States warned against the American expansion into former Soviet territory, but even Russia had, to a large extent, collapsed. The fall in production was of a size only seen in wartime. Gorbachev's reforms had produced chaos, not renewed growth. When you ended socialism and planning, you produced chaos, not capitalism. Former German chancellor Helmut Schmidt summed up the situation in his pithy way: Russia was now "Upper Volta with nuclear weapons."

As always, the end of a major conflict produces optimism about the future. After the fall of the Soviet Union and the American triumph in the Gulf War, Chairman of the Joint Chiefs of Staff Colin Powell had declared that "I am running out of enemies. I am down to Castro and Kim Il Sung."<sup>2</sup> During the Cold War the stability in Europe was, in part, the reflection of the fact that the stakes were just too high. War here would be too dramatic and the outcome too uncertain. The same soon applied to conflict between the other major powers. War directly between leading powers was clearly becoming less likely. The primary exception was the three wars between India and Pakistan,

<sup>2</sup> Bruce Cummings, "The Assumptions Did It," in Melvyn P. Leffler and Jeffrey W. Legro (eds.), *In Uncertain Times: American Foreign Policy After the Berlin Wall and 9/11* (Ithaca, NY: Cornell University Press, 2011), 140.

although it could be debated how major these powers were at the time the wars took place. War between China and Taiwan could not be excluded either. In more general terms, the transition from the Cold War to the post-Cold War was relatively bloody. The number of wars after the Second World War actually reached a climax in the early 1990s, as could be illustrated by the numerous wars in the former Yugoslavia and the Caucasus. The highest number, fifty-three wars at the same time, was recorded in 1992.

As Stewart Patrick also makes clear in his contribution in the present volume, since then there has been a decline in the number of wars. Since 1999 the number of wars going on has been in the thirties, with the lowest number, thirty, reached in 2010. Between the years 2004 and 2010 only one minor interstate conflict was actually recorded, between Djibouti and Eritrea in 2008. Yet it should be hastily added that, of the thirty conflicts in 2010, nine were “internationalized,” meaning that there was support from the outside to one or more of the warring parties. This is actually the highest number of such “internationalized” conflicts since the Second World War, and included the major wars in Afghanistan and Iraq.<sup>3</sup>

There are many reasons for the decline in the number of wars, relative as it is. Decolonization is over, and virtually all colonies have become independent. With the end of the Cold War the interest in intervention from the outside has been reduced. The United Nations has become increasingly interested in, and able to control, war. The number of democracies in the world has increased, and on the whole democracies are more peaceful than authoritarian states. A norm against war and territorial expansion has been evolving in many parts of the world. Finally, in some cases, economic growth may have improved the situation and even made war less likely.

## What to call the new world order?

The seeds of a new historical period are always found in the earlier period. And elements from the earlier period almost always linger on in the new period. This was certainly the case with the years after the Cold War where the changes were less immediately dramatic than in many earlier periods. Although the major powers moved up and down in the international power hierarchy, the powers as such remained the same, with the exception of the Soviet Union that was transformed into Russia and many smaller states. And though relatively new issues increased in prominence—such as globalization, terrorism, the role of China, and the challenges of economic growth—none of

<sup>3</sup> Lotta Themner and Peter Wallensteen, “Armed Conflict, 1946–2010,” *Journal of Peace Research*, 48:4, 525–36.

these issues was really new. Many of the old questions endured. How dominant would the United States be? What would be the role of nuclear weapons? Could solutions be found to the most troublesome conflicts, such as in the Middle East, between India and Pakistan, and in various parts of Africa? Those are the reasons the subtitle of this book is “New and Old Dimensions.”

The years since the end of the Cold War are neatly divided into two parts of almost equal length, before and after September 11, 2001. While the years from 1990 to 2001 are often referred to as the post-Cold War years, the later years have frequently been described as the age of terror. In the latter case we are not referring to a completed historical epoch. Writing history in the middle of a process presents many different challenges.

“Post-Cold War” did not seem a very satisfactory term. It related the current to the earlier period; it explicitly stated that something undefined followed something that had been much more clearly defined. The term said very little or nothing about the period as such. This led to a rather frantic search for a better definition of the 1990s, both by the Clinton administration and by academic observers. It became known as the Kennan “sweepstakes.” Kennan’s “containment” had provided the definition of the heart of the Cold War. Some of the leading candidates for best overall characterization were now “enlargement,” “globalization,” and “assertive multilateralism.” None of them really caught on.<sup>4</sup> In the present volume, most of the contributors have maintained the term “Post-Cold War years” for the 1990s—or even for the entire period from 1989 until the present.

All of the alternative terms did, however, tell us something important about the overall nature of the 1990s and even the later decades. “Assertive multilateralism” was a signal that the Clinton administration was prepared to work with the world in promoting common objectives, such as democracy, freer trade, and collective security, but that this would happen under America’s leadership. America was to be the assertive country; as always, the United States would provide the leadership. It did so both in the 1990s under Clinton and, more directly—but definitely not more effectively—after the turn of the century, under George W. Bush. “Enlargement” was often specified to mean “democratic enlargement.” The 1990s were indeed good years for democracy. With the fall of the Soviet empire, democracy spread to most of the countries in Central and Eastern Europe. Democracy strengthened its position in Latin America; it made major progress in Asian countries such as South Korea and Indonesia; and it became the norm even in Africa, as stated for instance by the new African Union (AU), although very few of its dictators lost the elections

<sup>4</sup> Derek Chollet and James Goldgeier, *America Between the Wars: From 11/9 to 9/11: The Misunderstood Years Between the Fall of the Berlin Wall and the Start of the War on Terror* (New York: Public Affairs, 2008), 65–71.

that were held. The major hold outs, as far as democracy and human rights were concerned, were the Muslim, particularly the Arab, world, and China. In 2011, the winds of change were finally affecting even the Arab countries in dramatic ways, particularly Tunisia, Egypt, Libya, Yemen, and Syria. In all of them, with the temporary (?) exception of Syria, the old regime was overthrown, although with increasing costs in terms of human lives. In China, the Communist Party still ruled firmly.

“Globalization” is a term that has been used about many historical periods. Much of history has even been described as one long process of globalization.<sup>5</sup> Thus, this process has been going on for a long time, although use of the term increased dramatically in the 1990s. The spread of religions from the Middle East to the rest of the world, as seen with the Jewish, the Christian, and the Muslim faiths, illustrated the long-term perspective very clearly, as did the development of plagues and illnesses as well as economic cycles, particularly in the nineteenth and twentieth centuries. The current papers were presented at a symposium in Lofoten, where the price of cod on the European continent has been decisive for the well-being of the inhabitants for about a thousand years. The economies of the world were in many respects as integrated before the First World War as they were for many decades after the Second World War. In some respects, they were much more integrated, as we see in how much easier it was for common people to move from one continent to another in the nineteenth century compared to the situation today, where all kinds of papers are needed to cross most international borders.

What was new about globalization in the 1990s and later was that the world did indeed become smaller. Most of us were able to experience events live, at least through the media, as they happened virtually all around the world. We could communicate instantly with each other in several different ways. The Internet was widely used by the mid-1990s. Travel exploded. We could visit the most distant destinations in the world. Financial markets became more integrated. Enormous amounts of money constantly moved around seeking the best possible terms. The number of multinational companies exploded. Inter-governmental and international non-governmental organizations increased tremendously in numbers and influence.<sup>6</sup> And international norms were developing, such as the importance of human rights and even the protection of the peoples of the world against the most dramatic forms of exploitation.

Yet it is easy to exaggerate how comprehensive globalization has become. The nation state is still very much alive and kicking. The number of member

<sup>5</sup> John Robert McNeill and William Hardy McNeill, *The Human Web: A Bird's Eye View of World History* (New York: Norton, 2003).

<sup>6</sup> A good history of this process is found in Akira Iriye, *Global Community: The Role of International Organizations in the Making of the Contemporary World* (Berkeley, CA: University of California Press, 2002).

states in the United Nations has increased from 51 in 1945, to 193 today (the latest admission being South Sudan). Most of the big multinational states have been under separatist pressure. The Soviet Union has been replaced by Russia and 14 other states; Yugoslavia has been broken into seven parts. Separatism is strong in China, in India, in the United Kingdom, and in Canada. The United States, which had its own civil war, is virtually the only really big state where the territorial unit is not questioned. True, regional organizations have proliferated in most parts of the world. Yet, even in the EU—the strongest of the new regional units—polls clearly indicate that the attachment to the nation state is far stronger than to the European level. Despite the growth of the international market, most production, by far, is still done for the national market. The vast majority of people still study and work in their home countries. The development of international norms and standards is still hesitant; most countries insist, very firmly, on their national sovereignty. That goes not only for China and the United States, but for most of the rising regional powers.

While there is confusion about what to call the 1990s, after September 11, 2001, the focus has been very much on terrorism. There had been several terrorist attacks in the 1990s, but the dramatic new focus came with the attacks of September 11. In his diary, President George W. Bush referred to the events of that day as “the Pearl Harbor of the 21st century.” A few days later, the president summed up the situation in the following way: “What was decided was that this is the primary focus of this administration. What was decided is: It doesn’t matter to me how long it takes, we’re going to rout out terror wherever it may exist. What was decided was: The doctrine is, if you harbor them, feed them, house them, you’re just as guilty, and you will be held to account.”<sup>7</sup> “The Global War on Terror” became the overall focus, not only in US foreign policy, but also in that of many other countries. Even in 2011 it has been estimated that there are about six non-fiction books being published per week with terrorism in the title.

Yet, like war, terrorism had been part of history since time immemorial. The histories of Russia and Ireland provide many examples, as do the more recent histories of Spain, Italy, and Germany. After September 11, terrorist attacks have proliferated virtually all over the world. Yet, whatever the explanation might be, after September 11 there has been no major terrorist attack in the United States. While President Barack Obama has, in some ways, continued his predecessor’s anti-terrorist policies, he has abandoned Bush’s single-minded focus on the “War on Terror.” While there is broad international cooperation against terrorism, this struggle has not really become the catch-

<sup>7</sup> Philip Zelikow, “US Strategic Planning in 2001–02,” in Leffler and Legro, *In Uncertain Times*, 102, 104.

all of international relations since 2001. And, as John Mueller keeps reminding us, the total number of people killed by “al-Qaeda types, maybes, and wannabes,” since September 11, stands at about 300 a year—a terrible number, but still lower than “the yearly number of bathtub drownings in the United States alone.” While such comparisons may provide a broader perspective, accidents are still clearly different from conscious political acts. Bathtub drowning comes in single accidents; terrorism in dramatic and terrible political acts.<sup>8</sup> Politicians can do little about the first category; they neglect the second at their peril.

Some observers related terrorism to the appearance of “failed states.” Afghanistan, Somalia, and Yemen indicated the connection. Yet the two phenomena were not necessarily connected, as the extended wars in the Democratic Republic of Congo illustrated. There, hundreds of thousands of lives had been lost in the wars that had convulsed the country since the mid-1990s.<sup>9</sup> Still, this had little or no influence on most of the rest of the world. Starting in the 1990s some suggested that our age should indeed be called “the age of failed states.” Again, the term pointed at something important. Yet modern, effective states were a new development, and states had failed throughout history; most states of the world were, in fact, becoming increasingly better organized.<sup>10</sup>

In the current volume there is no general agreement on what we should call either the 1990s or the later years. The search for the most appropriate terms to describe these years will have to go on. The closest we come to a more limited overall theme might be the Rise and Decline of the United States in an Increasingly Globalized World with Dominant Regional Powers—not exactly a catchy phrase! If the Cold War dealt primarily with the rivalry between the United States and the Soviet Union, between East and West, the domination of the United States after the 1990s has been tempered by the new world of regional powers, often called the BRIC countries (Brazil, Russia, India, and China.) There were also other regional powers. Japan was still important, as were the EU and even Germany, France, and Britain by themselves. Indonesia was rising, as was South Africa, and, increasingly, Turkey.

Yet there were always competing themes. Decolonization was the competing theme in the first decades after the Second World War; globalization and fragmentation might be a somewhat alternative view on the most recent years. The financial crisis of 2008–12 reminded us how quickly the perspective

<sup>8</sup> John Mueller, “The atomic terrorist?” in Olav Njølstad, ed., *Nuclear Proliferation and International Order* (London: Routledge, 2011), 127–48.

<sup>9</sup> It is often stated that five million people may have lost their lives in the wars in Congo. Joshua S. Goldstein argues that the most likely number is 150,000. For this, see his *Winning the War on War: The Decline of Armed Conflict Worldwide* (New York: Dutton, 2011), 16, 155–76.

<sup>10</sup> A series of interesting articles and useful information on “failed states,” including the annual Failed States Index, are found in *Foreign Policy* (July/August 2011), 46–57.



could change. After the Second World War, economic growth had come to be taken as given. Politicians could apparently promise growth year in, year out, and it would happen. A feeling had developed among economic experts that through the different economic instruments at their disposal the traditional financial fluctuations would be fine-tuned out of existence. This proved an illusion. If economic growth would slow down, or even stop entirely, it would have dramatic consequences for relations both between and inside countries. Our analyses would immediately shift. With a longer perspective we may, perhaps, be better able to understand how these various alternative processes were related.

### **The contributions in the current volume**

The first three chapters deal with various aspects of the overall international level as it has developed since the end of the Cold War. In his “The Evolving Structure of World Politics, 1991–2011,” Stewart Patrick focuses on the following characteristics: the decline of American hegemony, a shift of global economic power to emerging economies, the declining incidence of war, the rise of a new transnational security agenda, the persistence of authoritarian rule and the rise of failing states, the emergence of regionalism and regional organizations, and, finally, evolving norms of sovereignty and non-intervention. To cope with this daunting global agenda, states increasingly turned not only to formal treaty-based organizations, but to more flexible arrangements of collective action. The challenges were huge; the instruments to deal with these challenges were in constant development; the policymakers always had to strike “a balance between the world as it is, and the world as they would have it be.”

In his “From Realism to the Liberal Peace: Twenty Years of Research on the Causes of War,” John Oneal provides strong reasons for optimism about the future. The earlier emphasis in the study of international relations on a realist orientation has allegedly been replaced by a liberal understanding. Based on the summing up of a vast empirical base, Oneal strongly argues that democratic rule is indeed more peaceful than more authoritarian forms. As democracy spreads, we should therefore expect the world to become more peaceful. And growing interdependence, in the form of increased international trade, should have a similar effect. “Social scientific studies show that democracies are unlikely to fight one another; and economic interdependence, too, increases the prospects for peace.” Democracy, capitalism, and globalization are all likely to be strengthened in the future, providing the basis for this optimism.

In his “War, Democracy, and Peace” John Mueller is also optimistic about the future. “War, as conventionally, even classically, understood then, has become a remarkably rare phenomenon. Indeed, if civil war becomes as unfashionable as the international variety, war could cease to exist as a substantial phenomenon.” While Mueller shares Oneal’s optimism, the two prominent political scientists definitely disagree about the reasons for this optimism. Compared to Oneal, Mueller sees the causation as primarily running the other way: peace causes, or at least facilitates, democracy. The movement toward democracy began long before the aversion to war. This aversion is relatively new; it basically arose with the reaction to the horrors of the First World War. Experiences in the former Yugoslavia and between India and Pakistan also indicate that the relationship between democracy and peace is far less absolute than Oneal suggests.

In the section of four chapters on the Cold War legacy, Melvyn Leffler starts out by making a spirited argument in “Victory: The ‘State,’ the ‘West,’ and the Cold War” against the pervasive feeling in the United States that unhampered capitalism won the victory for the United States in the Cold War. “As we re-examine the virtues of free markets and private enterprise, we must not forget the role of the ‘state’—the importance of governmental capacity—in creating the conditions for victory in the Cold War.” Not only in Western Europe, but also in the United States, the role of the government increased tremendously in the decades after the Second World War. The government insured minimal social provisions, spurred research and innovation, and dispensed compensatory income in hard times. The United States was far superior to the Soviet Union in striking the right balance between the private and public elements. The chapter is also clearly relevant in the discussion about how the United States should be handling its economic future.

In his “The United States and the Cold War: Four Ideas that Shaped the Twentieth-Century World,” Jeremi Suri, in line with many recent writings on international relations, stresses the importance of ideology. He points to four such factors in particular: the beliefs in collective security, in free trade across the globe, a strong commitment to financial solvency, and, finally, also to democracy. Suri underlines that all four are “attitudes, aspirations, and ideal types whose complex practices never match their simple definitions.” Suri emphasizes that “The point of this chapter is not to privilege ideas above other influences, but to show that four particular ideas contributed to remarkably consistent policies that served American interests quite well.” After the end of the Cold War, Washington drifted away especially from collective security and solvency. The task today is to articulate ideas that are relevant for the challenges of our time.

In “The Cold War and Its Legacy” Vladimir Pechatnov argues that the conflict was “a messy mixture of ideology, geopolitics, and culture which

mutually reinforced each other.” The Cold War was largely inevitable, although it could have taken slightly different forms, “slightly better and—more likely—much worse.” Deterrence forced both sides to work with greater restraint and responsibility than they would otherwise have done. The end of the Cold War has now deprived the United States of its main mission. What will the new American goals be? The new Russia is struggling with some of the same problems as did the Soviet Union, and the United States and the West have clearly taken advantage of Russia’s weakness by filling in power vacuums left by the Soviet collapse. Pechatnov expresses the hope that America’s present problems can bring some much needed humility and openness, and new ideas that will make it possible to break away from the Cold War and its legacy.

In his wide-ranging “Two Finales: How the End of the Third World and the End of the Cold War Are Linked,” Odd Arne Westad argues that the entire Third World project collapsed in the 1970s and 1980s. He sees four reasons for this: the strengthening of global capitalism and the economic failure of some Third World states; the massive breakdown in legitimacy within many Third World regimes; the anti-revolutionary offensive of the Reagan administration; and, finally, the counter-revolution in China and the rise of East Asia. While Westad has elsewhere argued strongly that local factors have not been given their due influence in accounts about the Cold War,<sup>11</sup> he still sees the Cold War as “probably the predominant feature of the international system in the latter half of the twentieth century. We may dislike the Cold War, both as a concept and a system, and we may want to de-center it, but we cannot dissolve it.”

The role of nuclear weapons is then discussed in two chapters. In his “Nuclear Weapons and International Relations Since the End of the Cold War,” David Holloway argues that although nuclear weapons were woven into the fabric of the Cold War from its beginning to its end, “It was not nuclear weapons that brought the Cold War to an end . . . Nor did nuclear weapons give rise to our current international order . . .” Yet, nuclear weapons have been woven into regional politics, especially in South Asia, the Middle East, and on the Korean peninsula. Nuclear weapons served as a *casus belli* in Iraq in 2003. There is always the threat of terrorists acquiring such weapons. Holloway is uncertain about the prospects for nuclear proliferation. A few new states are getting such weapons, yet some major states are choosing not to develop them, and a few have even given up their weapons. The United States and the nuclear powers have to do more to reduce their numbers toward zero. Yet how can the rules of a more effective nonproliferation regime be enforced?

<sup>11</sup> Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times* (Cambridge: Cambridge University Press, 2007).

Olav Njølstad in his “The Development of the Arms Race and How We Think about It” argues along similar lines: arms races were generally symptoms, not causes, of conflict. Yet, while the nuclear arms race did not cause the Cold War, it put its distinct mark on it. The race should be seen more as “an asymmetrical, and partly unsynchronized, militarization of an ideological–political and geopolitical conflict than a spiraling action–reaction process heading for Armageddon.” In the post-Cold War, genuine arms races have been few, and nuclear proliferation has been limited, except with failed autocracy (North Korea) or repressive theocracy (Iran). In his optimistic conclusion, also compared to Holloway, Njølstad argues that “Arms races, it seems, are less of a threat to international peace than to the economic well-being of nations”—although the latter may, of course, be serious enough.

A substantial part of the Lofoten symposium was devoted to the status of the world’s leading powers and the roles they play. There was broad agreement that while the United States had experienced relative decline, it was still the leading power in the world. In fact, it remains the world’s only truly global superpower. No power has risen more rapidly than China. Its economic growth has been unrivalled, but there was skepticism that China would be able to challenge the United States for the leading role, at least in the foreseeable future. The European Union is at a tipping point: if it does not undertake significant new integration to solve its very serious economic problems it is bound to decline. Russia’s role is discussed, in part, as a continuation of its Cold War role. It is facing considerable problems in transforming itself into a modern state politically and economically. While Japan is still an important economic power, the last twenty years have represented a period of standstill. While countries such as India and Brazil are clearly rising, they still have a distance to go before they become powers of the first rank.

In his “Between Primacy and Decline: America’s Role in the Post-Cold War World,” Jussi Hanhimäki argues that while the predictions in so many of the earlier debates about America’s fall have proved wrong, this is “in part because these debates have had—and continue to have—strong policy relevance. When warning that decline is coming, popular pundits also offer solutions: minimize military spending, adopt ‘multilateral’ approaches, and stress ‘soft power.’ ‘Declinism’ prompts corrective action.” America continues to be the leading global power and a key advocate of the prevalent liberal international order based on growing interconnectedness. The challenges are not primarily the rise of China and the other BRIC countries, but whether the United States can continue wielding influence and leadership with fewer resources. For the US there is always the temptation to turn inwards, but “failing to promote openness is the surest way to turning the specter of decline into hard reality.”

In his “Russia and the West: Twenty Difficult Years,” Vladislav Zubok addresses the question of why Putin and his regime emerged in Russia.

Zubok is skeptical of “path dependency” explanations: “Russia’s development determined by its authoritarian past.” He points instead to contemporary and immediate factors as the crucial ones. Oil, gas, and other raw materials played their role. So did the acute degradation of the elites in the post-Soviet environment and the “generational skip” when new graduates replaced the depleted Soviet intelligentsia and middle groups. The abrupt transition from old to new destroyed the base for political reform in Russia. Zubok also thinks that the West acted with little wisdom and energy toward the new Russia. Yet despite considerable pessimism about Russia’s future, Zubok finds reason for optimism in the fact that “Russians today are freer than ever before: open borders, mass tourism, the development of human ties” between Russia and the West.

In his “The European Union at Twenty: Can Europe Be Saved?” Frédéric Bozo discusses the changing role of the European Union. For decades, the EU and its predecessors were able to combine a geographical widening and a deepening of content. With the EU prospering in the 1990s, the Maastricht treaty of 1991–2 at first appeared to be a great success. In the new millennium the EU was, however, facing increasingly bigger problems. It proved increasingly difficult to work out a common foreign and security policy; the EU quite simply did not become the global power many had hoped. Even more seriously, the increasing economic problems of some of the EU countries raised questions about the EU’s sustainability that most observers thought had already been answered in the affirmative. Bozo sees a transfers union as a possible way out. That, in turn, means new levels of economic and political integration. Yet the outcome, he suggests, could well be another round of muddling through.

China’s dramatic rise has probably been the most striking change in international affairs in recent years. In his “China’s Prolonged Rise: Legitimacy Challenges and Dilemmas in the Reform and Opening-Up Era,” Chen Jian analyzes the combination of China’s spectacular economic rise and the continued political domination of the Chinese Communist Party (CCP). In foreign policy, China has been increasingly incorporated into the international economic order, while at the same time insisting that aspects of this order be changed. Deng Xiaoping’s advice had been ambivalent: “Observe carefully; secure our position; cope with affairs calmly; hide our capacity and bide our time; be good at maintaining a low profile; and never claim leadership.” The key question remained whether it was possible in the long run to combine China’s spectacular economic growth with the continued firm grip of the CCP. Chen Jian refers to “an increasingly dangerous scenario in which a profound general crisis involving China’s economy, politics, and society may eventually break out.”

In his “After the West? Toward A New International System?” Michael Cox acknowledges that China has indeed been rising fast. But he makes three

larger points. First, while there have been major changes in the international economic system, these may not necessarily add up to a power shift. Second, the United States and the West still possess more capabilities and assets than many observers now seem to think. Third, Cox even suggests that we should stop thinking of the international system in terms of certain powers and regions rising and falling in some zero-sum game, and instead focus on the many ways in which all of the major states in the new world order are compelled to play by a very similar set of rules drawn up in the West. This spread of the West will not resolve all differences, but it will nevertheless represent some sort of common club or society, although with different kinds of membership.

In his conclusion, the editor then speculates on what might become the key dimensions in international relations in the future. China is likely to overtake the United States in terms of the size of its production—a dramatic phenomenon, since the US had had the world's largest gross domestic product (GDP) since around 1870. Still, China, with four times the population of the US, will remain a relatively poor country. The US also holds a larger lead over China in military terms and, quite significantly, in terms of its allies. While the US has several of the world's leading countries as its allies, China remains quite isolated internationally. More generally, it is true that the world is becoming increasingly globalized and that international organizations are being strengthened at both the international and the regional levels. Still, the nation state is likely to remain the basic unit in the international system. Virtually all the new great powers, with China and India in the lead, are rather explicit on this point. The United States is also rather unwilling to give up any of its sovereignty. On a moral note, the editor concludes that despite the mass killings of the twentieth century, in recent years the world has made progress in the reduced number of wars in the world, in the increased number of democracies, and in the reduction of poverty. This progress could well continue in the future, although the financial crisis after 2008 indicates the tenuous nature of predictions in general.

# 1

## The Evolving Structure of World Politics, 1991–2011

*Stewart Patrick*

Two decades ago the abrupt end of the Cold War elicited a pervasive euphoria among the United States and its major allies. The collapse of the Soviet Union appeared to vindicate the Western model of democracy and free markets, and raised the prospect, at least in some US minds, of a more peaceful “new world order” under benevolent American hegemony. The ensuing twenty years would prove more turbulent—and global events less tractable to US influence—than US strategists had anticipated in the early, heady days of the “unipolar moment.” By 2011, globalization and other forces had transformed the structure of world politics by altering the security, economic, normative, and institutional context in which sovereign states operated, and complicated the challenge of building a cooperative world order. These major structural changes included (1) the decline of American hegemony; (2) a shift of global economic power to emerging economies; (3) the declining incidence of war; (4) the rise of a new transnational security agenda; (5) the persistence of authoritarian rule and the rise of failing states as major strategic concerns; (6) the emergence of regionalism and regional organizations; and (7) evolving norms of sovereignty and non-intervention. To cope with this daunting global agenda, states increasingly turned not only to formal treaty-based international organizations, but to more flexible arrangements of collective action.

### The unipolar moment

“The structure of the international system is always *oligopolistic*,” the great French political theorist Raymond Aron wrote in 1967. He meant that world

order has always depended on the managerial role of multiple great powers. Aron, however, did not envision the international system that suddenly emerged in 1991. The abrupt demise of the Soviet Union left the United States as the world's sole superpower. The advent of the "unipolar moment," as Charles Krauthammer christened it in *Foreign Affairs*,<sup>1</sup> was unprecedented in the history of the Westphalian state system, in at least two senses. First, the new order emerged not in the aftermath of major interstate war, as in 1815, 1919, or 1945, but through the peaceful collapse of one major player. Second, the new landscape left a single dominant power with no conceivable peer competitor. Not even imperial Britain, at the height of its nineteenth-century maritime influence, had enjoyed such status.<sup>2</sup>

America's post-Cold War primacy proved surprisingly resilient. Contrary to the assumptions of classical balance of power theory—and the predictions of some officials and academics<sup>3</sup>—US preponderance did *not* inspire the formation of a counter-hegemonic coalition, either in the form of "hard" or "soft" balancing. During the 1990s, the overwhelming response was "bandwagoning," as potential rivals sought to align themselves with US power. This was partly a function of weakness. The Soviet Union had collapsed, leaving an anemic Russia and multiple successor states. Europe, meanwhile, was mired in slow growth, preoccupied with German reunification and, more generally, absorbed with the deepening and enlargement of the European project. Japan, so recently viewed as a rising challenger, was entering its "lost" decade of zero growth.<sup>4</sup> Finally, China was engaged with its own internal development and only beginning its meteoric rise. Given this global correlation of forces, the determination of US defense strategists to thwart any "peer" competitor<sup>5</sup> was irrelevant. The ease with which the US-led coalition reversed Saddam Hussein's invasion of Kuwait during 1991 reinforced this sense of US omnipotence. In the aftermath of that victory, President George H. W. Bush heralded the advent of a "new world order" under benevolent American hegemony.

But it was not merely US material power that deterred potential challengers. It was also the open, liberal nature of the US-led hegemonic order, which proved more attractive than threatening to major centers of world power.

<sup>1</sup> Charles Krauthammer, "The Unipolar Moment," *Foreign Affairs*, 70:1 (Winter 1990/1991), 23–33.

<sup>2</sup> While dominant in much of the global periphery, Great Britain continued to participate in a complex balance of power on the European continent.

<sup>3</sup> John Mearshimer, "Back to the Future: Instability in Europe after the Cold War," *International Security*, 15 (Summer 1990), 5–57. Christopher Layne, "The Unipolar Illusion: Why New Great Powers will Arise," *International Security*, 17 (Spring 1993), 5–51.

<sup>4</sup> William Wohlforth, "The Stability of a Unipolar World," *International Security*, 21:1 (Summer 1999), 5–41.

<sup>5</sup> On the debate over the 1992 Defense Planning Guidance, see Barton Gellman, "Keeping the US First: Pentagon would Preclude a Rival Superpower," *Washington Post*, March 11, 1992; Barton Gellman, "Pentagon Abandons Goal of Thwarting US Rivals," *Washington Post*, May 24, 1992.



Some history is relevant here. In structural terms, as John Ikenberry has written, the Cold War essentially comprised two orders: The first, “outside” order was bipolar and pit the United States and its allies against the Soviet Union and its satellites, with intense competition for the loyalties and resources of peripheral states. The second, “inside” order was liberal, and centered on core “Western” states, notably—North America, Western Europe, and Japan.<sup>6</sup> Relations among these states (and to a lesser degree other partners) were based on shared liberal principles, including common attachment to political democracy, market economics, and institutionalized cooperation, with multilateral regimes governing trade, security, and political relations.<sup>7</sup> In stark contrast to the Soviet system, this was no coercive “empire,” but a consensual system marked by consultation and compromise between the hegemon and its partners, who themselves enjoyed ample “voice opportunities” and were able to bargain over the norms and rules of Western order. In return for shouldering disproportionate burdens, including in providing armed protection and promoting economic growth within an open capitalist world economy, the United States enjoyed a legitimate form of leadership, including authority to shape Western agendas, set the parameters of policy debates, and take the initiative in decision-making.<sup>8</sup>

Reinforcing this optimism was the conviction, most palpable in the United States, that the defeat of communism had discredited the last serious ideological challenge to political and economic liberalism. Francis Fukuyama expressed this sentiment most forcefully in a celebrated essay in *The National Interest*.<sup>9</sup> Published shortly before the fall of the Berlin Wall in summer 1989, “The End of History” contained a provocative thesis: the triumph of liberalism over its twentieth-century competitors, fascism and totalitarianism, was a world-historical development. To be sure, “history” would continue as a succession of prosaic events—“one damn thing after another”—as Toynbee once said. But the human experience would no longer be marked by the clash of universalist world views.

Certainly, the demise of the Soviet threat removed some of the security “glue” binding Western allies to Washington, reducing US leverage. But the end of the Cold War also opened the possibility that the open liberal

<sup>6</sup> G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order* (Princeton: Princeton University Press, 2011), 161.

<sup>7</sup> On the antecedents of the US vision for post-1945 world order and its adaptation to the bipolar struggle, see Stewart Patrick, *The Best Laid Plans: The Origins of American Multilateralism and the Dawn of the Cold War* (Lanham, MD: Rowman and Littlefield, 2009).

<sup>8</sup> Charles S. Maier, “Analog of Empire: Constitutive Elements of United States Ascendancy after World War II,” Woodrow Wilson Center Paper (Washington, DC: Woodrow Wilson Center, May 30, 1989), 1–6. Geir Lundestad, “Empire by Invitation? The United States and Western Europe, 1945–1952,” *Journal of Peace Research*, 23:3 (September 1986), 263–77. Of course, the “consensual” nature of US hegemony was far more consistent in the OECD core than in the developing world.

<sup>9</sup> Francis Fukuyama, “The End of History,” *The National Interest* (Summer 1989), 3–18.

international order the United States and its Western partners had cultivated might expand to encompass not only a Europe “whole and free,” but other regions of the globe. The Clinton administration encapsulated this vision in its 1994 *A National Security Strategy of Engagement and Enlargement*. The strategy envisioned gradual incorporation of Cold War adversaries and the developing world into an ever-expanding coalition of market democracies.<sup>10</sup> Throughout the 1990s, the United States worked to expand and consolidate major multi-lateral global and regional institutions and alliances. This included the eastward march of NATO, first through Partnership for Peace agreements, and subsequently enlargement to include new members; the replacement of the General Agreement on Tariffs and Trade (GATT) with a new World Trade Organization (WTO)—to which China would be admitted in 1995; the creation of an Asia-Pacific Economic Cooperation (APEC) forum; and the negotiation of a North American Free Trade Agreement (NAFTA) and proposal for a Free Trade Agreement for the Americas (FTAA).

With vigorous support from Washington, the 1990s witnessed advances in economic integration. Dynamic emerging markets were incorporated into the global economy. Globalization accelerated, driven by advances in information and telecommunications technology, new financial instruments, deregulation, and the privatization of public sector assets under the Washington Consensus. Between 1980 and 2000, global trade expanded dramatically, outpacing GDP growth by 280 per cent. The surge in cross-border capital flows was even more impressive, with foreign direct investment and portfolio investment growing by almost 600 per cent.<sup>11</sup>

In military terms, the United States stood unchallenged. By 2000, it spent as much on defense as the next ten countries combined. Clinton administration officials acknowledged the unique US position, but sought to reassure the world that its power would be used beneficently, for all humanity. As Secretary of State Madeleine Albright observed, the United States was the world’s “indispensable power,” one that “stands taller and sees further into the future” than other actors. Such rhetoric grated even on European allies. French foreign minister Hubert Vedrine fretted that the United States had become a “*hyper-puissance*” (hyperpower), unbalanced by other international actors.<sup>12</sup> Nevertheless, as Ikenberry writes, “the twentieth century ended with world politics exhibiting a deeply anomalous character—the United States had emerged as a unipolar power situated at the center of a stable and expanding liberal

<sup>10</sup> White House, *A National Security Strategy of Engagement and Enlargement* (Washington, DC: The White House, 1994).

<sup>11</sup> Nancy Brune and Geoffrey Garrett, “The Globalization Rorschach Test: International Economic Integration, Inequality and the Role of Government,” *Annual Review of Political Science*, 8 (2005) <<http://bev.berkeley.edu/ipe/readings/globalizations-rorschach-test-paper.pdf>>.

<sup>12</sup> “To Paris, US Looks Like a ‘Hyperpower’,” *International Herald Tribune*, February 5, 1999, 5.

international order.” The United States was at peace and enjoyed good relations with all major centers of world power—not only with its allies in Western Europe and Japan, but also with Russia and China. “The other great powers had neither the ability nor the desire to directly challenge—let alone overturn—this unipolar order.”<sup>13</sup>

### The US imperial turn and the crisis of hegemonic order

The election of George W. Bush as US president would transform international views of the United States. The country embarked on an assertive and often unilateral course. The United States, of course, has long possessed an ambivalent and selective attitude toward multilateral cooperation—a function of its overwhelming power, its exceptionalist political traditions, and its constitutional separation of powers.<sup>14</sup> Yet, from the presidency of Franklin D. Roosevelt, the United States had promoted international institutions as the foundation for US global leadership. From the moment it assumed office, however, the George W. Bush administration signaled its desire to escape from these historical constraints. The new president presided over an administration deeply skeptical of the United Nations and other standing international organizations, alliances and treaties. The administration simply doubted their capacity to confront new threats to national and global security, particularly terrorism, rogue states, and the proliferation of weapons of mass destruction (WMD).

The attacks of September 11, 2001 accentuated these instincts,<sup>15</sup> reinforcing the administration’s insistence on absolute freedom of action to defend national security. In an age of catastrophic threats, other countries or international organizations could not be permitted to limit America’s use of its massive military capabilities. The rise of mass casualty terrorism and the proliferation of WMD meant that dangers could arise with little warning from non-state actors, rendering traditional models of deterrence obsolete. Consequently the time-consuming process of multilateral diplomacy became a luxury the United States could no longer afford. By erasing the comforts of time and distance, the new threat environment required a new national security strategy based on anticipation, speed, and flexibility. The Bush administration declared a

<sup>13</sup> Ikenberry, *Liberal Leviathan*.

<sup>14</sup> Stewart Patrick, “Multilateralism and Its Discontents: The Causes and Consequences of U.S. Ambivalence,” in Stewart Patrick and Shepard Forman (eds.), *Multilateralism and U.S. Foreign Policy: Ambivalent Engagement* (Boulder: Lynne Rienner, 2002), 1–44.

<sup>15</sup> This section draws on Stewart Patrick, “‘The Mission Determines the Coalition’: The United States and Multilateral Cooperation after 9/11,” in Bruce D. Jones, Shepard Forman, and Richard Gowan (eds.), *Cooperating for Peace and Security: Evolving Institutions and Arrangements in a Context of Changing U.S. Security Policy* (Cambridge: Cambridge University Press, 2010), 20–44.

“global war on terrorism,” with the Manichean assertion that countries were “either with us or against us in the fight against terror.” The Bush administration’s 2002 National Security Strategy explicitly articulated a new doctrine of unilateral “pre-emption,” expanding traditional conceptions of imminence to include emerging catastrophic threats. In effect, the new strategy embraced a doctrine not of “pre-emption” in the classic sense (as an enemy prepares to strike), but rather a doctrine of preventive war. The administration seemed to be challenging international order, declaring itself unbound by traditional constraints on the use of force. Even many US allies believed, in the words of EU commissioner for foreign affairs Christopher Patten, that the United States was moving into “unilateralist overdrive.”<sup>16</sup>

In contrast to its predecessor, the Bush administration was forthright in its pursuit of global primacy. As the president declared at West Point in June 2002: “America has, and intends to keep, military strength beyond challenge, thereby making destabilizing arms races pointless and limiting rivalries to trade and other pursuits.”<sup>17</sup> By virtue of its overwhelming power, the United States aspired to transcend world politics. Not only would it serve as the unilateral guarantor of world order but, more radically, the country would lead a global democratic revolution. The Bush administration’s grand strategy was, in effect, one of Wilsonianism without international institutions.

The unilateralist thrust in US foreign policy, especially the controversial doctrine of “pre-emption,” was deeply unsettling across the globe. But it was the Iraq crisis of 2002–2003 that most damaged international confidence in a benevolent US hegemony. After failing to secure UN Security Council (UNSC) authorization for military action to end Iraq’s suspected WMD program and enforce past UNSC resolutions, the United States and coalition partners launched Operation Iraqi Freedom. On March 19, 2003, they invaded Iraq, despite the objections of close postwar allies like Germany and France. The collapse of Security Council diplomacy reinforced Bush administration skepticism of UN-centered collective security, while leading many abroad to doubt that Washington would accept any constraints on its power. The episode marked the nadir of US–UN relations.

The imperial turn in US foreign policy proved short-lived. It was unacceptable abroad, suggesting an America that wanted to “rule,” but not be bound by rules.<sup>18</sup> Other major centers of world power—including US allies—considered

<sup>16</sup> Cited in Christopher Dickey and Michael Meyer, “The Continent’s Misplaced Hysteria,” *Newsweek* (February 25, 2002) <<http://www.newsweek.com/2002/02/24/the-continent-s-misplaced-hysteria.html>>.

<sup>17</sup> “Remarks by President at 2002 graduation exercise of the United States Military Academy,” White House Press Release, June 1, 2002. Cited in Ikenberry, *Liberal Leviathan*, 256–7.

<sup>18</sup> Ikenberry, *Liberal Leviathan*, 270.

such a coercive leadership style illegitimate. It was also unsustainable at home, promising to entangle the United States in unending overseas adventures that required it to bear disproportionate costs and risks. Indeed, despite its instincts, the Bush administration wound up returning to the United Nations repeatedly over the next several years, not only to assist in the stabilization and recovery of Iraq, but also to address multiple trouble spots throughout the world—from Haiti, to Lebanon, to Sudan.

More enduring, arguably, was the Bush administration's distinct approach to multilateral cooperation itself. Beyond its willingness to act alone, the administration preferred a selective and limited form of collective action, including (as in Iraq) the use of "coalitions of the willing" that could coalesce for discrete purposes. Several convictions informed this preference. First, the Bush administration believed that multilateralism must be a *means* to concrete foreign policy ends, rather than—as liberal internationalists seemed inclined to believe—an end in itself. Second, the administration regarded many standing international institutions, including the United Nations, as hopelessly dysfunctional, given to lowest common denominator policymaking and reflecting a consensus often at odds with US interests or ideals. Third, conservatives within the administration regarded "unaccountable" international institutions and the expanding reach of international law as a growing threat to US sovereignty and the supremacy of the Constitution. Fourth, America's traditional multilateral alliances, notably NATO, were of dwindling utility, given widening asymmetries in military and technological capabilities between the United States and its allies; such arrangements reduced US freedom of action without any appreciable benefit. Fifth, the Bush administration was convinced that unilateralism—or its threat—could, at times, be an essential catalyst for effective multilateral action.<sup>19</sup>

Finally—and most fundamentally—the Bush administration believed that multilateralism was most successful when it reflected a true convergence of interests and values. Rather than relying primarily on the UN and standing alliances, the United States should adopt what State Department policy planning chief Richard N. Haass termed an "à la carte" approach, by assembling opportunistic and flexible coalitions to address specific challenges.<sup>20</sup> A case in point was the Proliferation Security Initiative, a voluntary arrangement under US leadership to interdict shipments of weapons of mass destruction and related technology.

<sup>19</sup> Adam Garfinkle, "Alone in a Crowd," *The American Interest*, 1:3 (Spring 2006), 132–40.

<sup>20</sup> Thom Shanker, "White House Says the US is Not a Loner, Just Choosy," *New York Times*, July 31, 2001.

## The rise of multipolarity and the decline of US hegemony

By the end of the Bush administration it was clear that America's "unipolar moment" was coming to an end. Bush's successor, Barack Obama, pledged the United States to a "new era of engagement." Central components of this strategy included a return to multilateral cooperation, the collective management of transnational problems, the peaceful accommodation of rising powers, and the modernization of international institutions. His approach presumed an enduring role for US leadership, but placed less emphasis on the pursuit of American primacy.

Obama's strategy reflected new geopolitical realities of the twenty-first century. Economic and political power is diffusing, particularly to fast-growing emerging nations—notably to China, but also to India, Brazil, Russia, Turkey, and others. By 2010, the developing world was, for the first time, responsible for nearly half (49 per cent) of all global economic activity; by 2025, its share may exceed 60 per cent.

Power, of course, has multiple dimensions, making power analysis a tricky business. Traditionally, analysts have distinguished among at least five categories of power: (1) basic material capabilities, notably military and economic assets; (2) relational power, or a country's influence over actors and outcomes; (3) structural power, or the ability to define the context in which other states operate; (4) "soft power," or the normative attraction of a country's ideology and institutions; and (5) the state's capacity to extract resources from its own domestic political system. On nearly all of these measures, US power has declined in the twenty years since the end of the Cold War.

Consider *material power*. When it comes to military might, it is true that the United States retains overwhelming advantages. In 2009, US defense expenditures represented 43 per cent of the world's total, six and a half times what China (6.6 per cent), its nearest competitor, was spending.<sup>21</sup> When it comes to economic power, however, the world is clearly multipolar. According to the International Monetary Fund (IMF), in 2009 the EU possessed the world's largest economy as measured in nominal US dollars, with a gross domestic product (GDP) of \$16.447 billion, followed by the United States at \$14.119 billion, Japan at \$5.068 billion, and China at \$4.984 billion. (The picture is slightly different if one uses purchasing power parity, in which case the United States still comes out on top, with 20.42 per cent of global GDP, followed by the EU (15.08 per cent), China (12.56 per cent), Japan (5.96 per cent), India (5.05 per cent), Russia (3.02 per cent), and Brazil (2.88 per cent).)<sup>22</sup>

<sup>21</sup> Source is *SIPRI Yearbook*, 2010 (Oxford: Oxford University Press, 2010).

<sup>22</sup> *IMF World Economic Outlook 2009* (Washington, DC: International Monetary Fund, 2009).

Particularly striking, since 2000, has been the dramatic rise of the so-called “BRIC” economies (Brazil, Russia, India, and China).

What is equally clear is that the United States often finds it difficult to translate its material power into effective *control over actors or outcomes*—a phenomenon political scientist David Baldwin labels “the paradox of unrealized power.”<sup>23</sup> In part, this is because power is often not “fungible” across different realms: for instance, US military dominance is of limited utility in global trade negotiations. But even within the military sphere the United States often struggles to translate technological dominance into desired outcomes, particularly as potential or actual opponents employ so-called “asymmetrical” strategies that serve to level the playing field. A case in point is the decade-long US-led counterinsurgency and nation-building effort in Afghanistan.

More generally, the changing nature of world politics has complicated US relational power. As the “game” of international relations shifts from great power competition to the management of transnational issues, success requires cooperation among multiple actors. Here, climate change is the archetypal example. At a minimum, emerging market economies retain impressive “blocking” power. They are capable of thwarting an international bargain.<sup>24</sup> Moreover, institutionalized multilateral cooperation—increasingly required to address issues from climate to trade—tends to level the playing field by devaluing and delegitimizing the brute exercise of power.

American *structural power* has also declined. As conceived by the late political economist Susan Strange, “structural power” is the ability to define the global context in which other countries operate. Beyond shaping international rules, institutions, and organizations, the United States during its post-1945 hegemonic heyday dominated the four main “structures” of the world economy: it shaped the “security structure,” by offering protection against the threat of violence in an anarchical international system; the “production structure,” by influencing what goods will be produced, where, and in what manner; the “financial structure,” by controlling the availability of credit and the terms of foreign exchange; and the “knowledge structure,” by controlling the acquisition, development, and storage and communication of knowledge and information.<sup>25</sup> By 2010, the United States still dominated the global security structure (though it faced challenges in East Asia from China and, to a lesser degree, in the Persian Gulf from Iran). But its hold over the other three “structures” had slipped. This was most notable in the financial

<sup>23</sup> David A. Baldwin, “Power Analysis and World Politics: New Trends versus Old Tendencies,” *World Politics*, 31:2 (1979), 161–94. The discussion in this section also draws on Andrew F. Hart and Bruce D. Jones, “How Do Rising Powers Rise?” *Survival*, 52:6 (December 2010/January 2011), 63–88.

<sup>24</sup> Hart and Jones, “How Do Rising Powers Rise?”

<sup>25</sup> Susan Strange, *States and Markets* (London: Pinter, 1988), 24–5, 115–17.

and trade arenas. The United States depended on massive credit from China to cover enormous US current account deficits and to maintain the role of the beleaguered dollar as the world's main reserve currency.

America's *soft power*, so celebrated in the immediate aftermath of the Cold War, may also be a dwindling asset. The coercive turn in US foreign policy during the Bush administration—including an overreaching “freedom agenda” and the excesses of the “global war on terrorism”—is partly to blame for damaging the US “brand,” as well as discrediting (at least temporarily) US global efforts to promote democracy and human rights around the world. Likewise, the US economic model—to say nothing of the long-reigning “Washington consensus”—has been badly tarnished by the global economic crisis that began in the United States itself in autumn 2008 and had devastating international consequences.

Finally, the *domestic foundations* of US global leadership—economic as well as political—have eroded since the end of the Cold War. Historically, the US-led liberal world order has depended on US willingness to provide global public goods, from an open world economy, to stable and secure oil supplies. America's parlous fiscal situation, however, is likely to encourage a period of retrenchment in US global engagement, particularly after an era of perceived overstretch. Domestic political dynamics will likewise complicate US leadership, given the collapse of the post-1945 internationalist consensus and toxic levels of partisanship within the US Congress and broader polity.<sup>26</sup>

In the coming decades, these trends suggest the critical world order problem will shift from harnessing (and sometimes constraining) US power, to managing relative US decline. The trick will be to do so while preserving the stability of the Western liberal order the United States and its allies endeavored to promote and protect for six and a half decades.

## The strategic challenge of integrating rising powers

Effective multilateral cooperation in the twenty-first century will depend on mutual accommodation between established and rising powers on the basic norms and rules of international conduct—and on the willingness of emerging players to embrace the responsibilities inherent in their global power.<sup>27</sup> Integrating emerging players as “responsible stakeholders” (in the

<sup>26</sup> This was apparent, for example, in the determination of House Republicans to cut US foreign aid, as well as contributions to international organizations. See Mary Beth Cheridan, “House Moves to Restrict US Foreign Aid,” *Washington Post*, July 21, 2011.

<sup>27</sup> This section draws on Stewart Patrick, “Irresponsible Stakeholders? The Challenge of Integrating Rising Powers,” *Foreign Affairs*, 89:6 (November/December 2010).



words of former US Deputy Secretary of State Robert Zoellick) will be tricky, for several reasons.

First, established and rising powers are often locked in strategic competition and fundamental clashes of interest. The Obama administration's 2010 *National Security Strategy* conceives the major challenge of world politics to be the collective management of shared global problems, adding that "power, in an interconnected world, is no longer a zero-sum game."<sup>28</sup> In fact, strategic rivalries persist, and the diffusion of global power is likely to exacerbate rather than mitigate these. The world's most powerful nations are playing more than one game simultaneously: they may cooperate for some purposes—counterterrorism or financial stability, for instance—but also compete for regional influence, military advantage, market share, and strategic resources. This duality of great power relations is most obvious in Sino–American relations. Notwithstanding their high levels of economic interdependence, the two nations hold fundamentally incompatible visions for the future of East Asian security—one predicated on Chinese dominance, the other on a balance of power.

Second, most emerging powers do *not* share Western views on global order—at least not entirely—and are determined to test, dilute, and revise existing principles, norms, rules, and institutions to suit their values, interests, and preferences. Whereas the Cold War United States could be confident of normative solidarity within its broad "Free World" coalition, today's rising powers are at least moderately revisionist in outlook, and intent on being rule-makers, rather than merely rule-takers. Nor do they recognize the authority of the United States—or the wider "West"—to define what constitutes "responsible" behavior—and indeed they are all too ready to point out the hypocrisy and shortcomings in Western conduct. If the main international debate during the George W. Bush administration was about whether the United States should "obey the rules," it is now shifting to "whether 'the rules' as they stand promote or impede the interest of other countries." One should not expect major emerging countries to endorse a US, or even a broadly Western agenda, simply out of gratitude for being able to join those exclusive clubs and have a seat at the table.<sup>29</sup>

Accordingly, normative diversity is likely to be a hallmark of the twenty-first century, as the world's most powerful nations debate fundamental values, such as the appropriate boundaries of national sovereignty, the correct balance between states and markets, the role of religion in national and

<sup>28</sup> White House, *National Security Strategy of the United States* (Washington, DC: The White House, May 2010).

<sup>29</sup> Nicholas Gvosdev, "Reaction" to Suzanne Nossel and David Shorr, "A Stake in the System," in Michael Schiffer and David Shorr (eds.), *Powers and Principles: International Leadership in a Shrinking World* (Lanham: Rowman and Littlefield, 2009), 38–42.

international politics, the authority of the state to regulate information flows, and the proper foundations of domestic political legitimacy. Cooperation may be especially difficult between established democracies and authoritarian regimes like China, or quasi-authoritarian ones like Russia. (Consider cybersecurity, where the Western preference for an open, private, and largely anonymous Internet collides with a Chinese vision predicated on the principle of state control.<sup>30</sup>) Established and emerging powers will need to show greater tolerance for pluralism. A crude analogy might be with the nineteenth-century Concert of Europe, which involved not simply a multipolar balance of power, but a balance of rights, satisfactions, and responsibilities among major players—within a system capable of bridging differences in domestic regime type and political values.<sup>31</sup>

Third, rising powers are more inclined to enjoy the privileges than shoulder the obligations of power. Their status as developing countries reinforces an instinct to free ride on the contributions of established nations, including the United States, Europe, and Japan. Most emerging powers, after all, are caught between two worlds. They are status conscious, and seek entrée into, and weight within, the major decision-making forums of international life, from the IMF to the UNSC to the G20. At the same time, they are preoccupied with enormous internal development challenges, including bringing tens or even hundreds of millions of citizens out of grinding poverty. They naturally resist commitments, such as binding greenhouse gas emissions reductions that might constrain or jeopardize their growth prospects and social welfare goals. In some cases, emerging powers lack objective capacities to exercise leadership, adequate regulatory capacity to meet international obligations, or military assets to help guarantee global security. Beyond this impulse to “free ride,” the tumultuous internal politics of many emerging powers—particularly democracies—can hinder cooperation with established powers, as political leaders seek to reconcile an increasingly complicated and intrusive multilateral agenda with complex domestic bargains and the volatile force of nationalism. A common commitment to democracy provides no guarantee of smooth cooperation with established Western powers. Indeed, some of the most robust developing world democracies—Brazil, India, Indonesia, and South Africa—are also leaders of blocs such as the G77 and the Non-Aligned Movement (NAM), whose ideologies put them at frequent loggerheads with Organisation for Economic Co-operation and Development (OECD) nations.

<sup>30</sup> Robert K. Knake, *Internet Governance in an Age of Cyber Insecurity*, Council on Foreign Relations Special Report No. 56 (Washington, DC: Council on Foreign Relations, September 2010).

<sup>31</sup> Paul W. Schroeder, “The Nineteenth Century System: Balance of Power or Political Equilibrium,” *Review of International Studies*, 15 (1989), 135–53.

The key question for the future of world politics is whether today's rising powers—and particularly China—will continue to sustain and benefit from Western liberal world order,<sup>32</sup> or instead challenge that order in fundamental ways, either by promoting non-Western norms, or accelerating the world's fragmentation into distinct regional orders.<sup>33</sup> Although the future is difficult to predict, the fact that today's rising powers are *revisionist* rather than *revolutionary* offers grounds to hope that the coming era will see gradual adjustments to the status quo, instead of a frontal assault on the existing order. Given the diversity of interests and identities of the world's emerging powers, we are unlikely to witness the consolidation of a single, coherent, counter-hegemonic (or counter-Western) bloc. Rather, emerging countries will continue to coalesce into more flexible “minilateral” associations and forums to pursue particular interests—as they have already in the BRICS (Brazil, Russia, India, China, South Africa) grouping, the Shanghai Cooperation Organization (SCO)—uniting Russia and China with four Central Asian states—the IBSA (India, Brazil, South Africa) forum, and the BASIC (Brazil, South Africa, India, China) caucus.

Finally, integrating rising powers will require difficult negotiations to adapt existing international institutions to newcomers. Global institutions are, of course, notoriously resistant to change, thanks to the vested interests of current power-wielders. Beyond the inertia of existing structures, would-be reformers typically confront trade-offs between three valued goals: efficiency, legitimacy and like-mindedness. The first of these calls for the smallest possible grouping; the second, the most representative body possible; and the third, a membership that shares a similar normative outlook.<sup>34</sup>

In the wake of the global financial crisis there has been some modest adaptation of institutional arrangements governing the world economy. The most significant of these is the elevation of the Group of Twenty (G20) to the leaders' level, and its designation as the “premier forum” for global economic coordination. The G20—the only international body in which the world's most important established and rising powers meet exclusively at the highest level in a situation of formal equality—is arguably the most important innovation in global governance since the end of the Cold War. G20 members have also agreed to modest adjustments to “chairs and shares” (that is, seats on the executive boards and voting quotas) within the international financial institutions, to the benefit of major emerging economies. They have also created a

<sup>32</sup> Ikenberry, *Liberal Leviathan*.

<sup>33</sup> On this scenario, see National Intelligence Council and European Union Institute for Strategic Studies (EUISS), *Global Governance 2025: At a Critical Juncture* (Paris: EUISS, 2010) <[http://www.foia.cia.gov/2025/2025\\_Global\\_Governance.pdf](http://www.foia.cia.gov/2025/2025_Global_Governance.pdf)>.

<sup>34</sup> For a discussion of these trade-offs, see “Prix Fixe and a la Carte: Avoiding False Multilateral Choices,” *The Washington Quarterly*, 32:4 (October 2009), 77–95.

Financial Stability Board, charged with creating common norms and rules to govern major cross-border financial institutions that might pose systemic risks to the global economy.<sup>35</sup>

Other institutions have proven more resistant to change. The most glaring is the United Nations Security Council (UNSC), the world's primary body for international peace and security, whose permanent membership has not changed since 1945. Barring a cataclysm, such as a world war or nuclear use, reallocating influence within the UNSC will be an uphill struggle. China and Russia oppose any new permanent UNSC members, and the United States—despite the Obama administration's determination to integrate rising powers—remains ambivalent at best. On the one hand, US officials acknowledge that the Council is increasingly removed from global power realities, threatening its long-term credibility and perceived legitimacy.<sup>36</sup> On the other hand, the administration remains skeptical that any conceivable enlargement would be in the US national interest and—even if it were—that the United States could possibly bring it about. For the United States to eventually support and spearhead such a change, Washington would need to be confident that any expansion would be modest in size, and that any new permanent members would be prepared to accept the weighty responsibilities of defending global peace and security.<sup>37</sup>

## The declining incidence of war

Among the most noteworthy trends since the end of the Cold War has been the declining incidence of war, not only between states—where it has become extremely rare—but also within them. Globally, the number of armed conflicts peaked in 1992, following the collapse of the Soviet Union, at more than fifty. It has since fallen steeply, so that by 2010 analysts recorded only thirty active armed conflicts in some twenty-five locations. The average intensity of violence—measured in terms of actual battle deaths—has also declined. These changes have been most impressive in sub-Saharan Africa, where armed violence declined from sixteen active conflicts in 1998, to only eight in 2010.

<sup>35</sup> Stewart Patrick, "The G20 and the United States: Opportunities for More Effective Multilateralism," A Century Foundation Report (New York: The Century Foundation, 2010).

<sup>36</sup> In November 2010, President Obama for the first time offered US endorsement for an eventual permanent UNSC seat for India, as well as reiterating longstanding US support for Japan.

<sup>37</sup> For an argument that the United States should push for a modest enlargement of the permanent membership of the UN Security Council, based on explicit criteria, see Kara C. McDonald and Stewart M. Patrick, "UN Security Council Enlargement and US Interests," Council on Foreign Relations Special Report No. 59 (Washington, DC: Council on Foreign Relations, December 2010). See also Stewart Patrick, "Security Council Reform in Sight?" *The Internationalist* [blog], July 7, 2011 <<http://blogs.cfr.org/patrick/2011/07/07/security-council-reform-in-sight/>>.

By 2010, *all* of the world's armed conflicts were internal, rather than interstate. At the same time, nearly a third (nine) were *internationalized*—involving the presence of foreign or international troops assisting one or both of the parties to the conflict.<sup>38</sup> Such was the case in Afghanistan, for instance, where the US-led coalition Operation Enduring Freedom sought to bolster the government of President Hamid Karzai against the Taliban; and in Somalia, where the African Union Mission in Somalia (AMISOM) sought to protect the beleaguered Somali government from al-Shabaab extremists.

Analysts have proposed several hypotheses for the declining incidence of intrastate war. These include rising levels of economic development, a growth in the number of democracies, the end of Cold War proxy wars, and the actions of the international community. While all have played a role, the most important factor may well be an extraordinary surge in international security activism, particularly through the United Nations. As Andrew Mack of the Human Security Report enumerates, these initiatives include a tripling of UN and non-UN mandated peace operations between 1988 and 2008; a surge of UNSC Chapter VII resolutions from zero to forty between 1989 and 2009; increased use by the UN Secretary-General of special representatives and “contact groups” to mediate conflicts; a thirteen-fold increase in multilateral sanctions regimes from 1991 to 2008; and a dramatic growth in programs for the disarmament, demobilization, and reintegration (DDR) of former combatants.<sup>39</sup>

### Transnational threats and security interdependence

It is not only the *structure* of world politics that has changed since the end of the Cold War, but in many respects also its *substance*. For centuries, the primary focus of international security has been managing the balance of power among the world's leading nations, particularly during periods of rapid power transition. That imperative has not disappeared, as persistent frictions between the United States and China (and also with Russia), and between China and Japan (as well as India) attest. But while great power war will always be possible in a system of sovereign states, the principal national security challenges of the twenty-first century are as likely to be global and

<sup>38</sup> Statistics from Lotta Themnér and Peter Wallensteen, “Armed Conflict, 1956–2010,” *Journal of Peace Research*, 48:4 (2011), 525–36.

<sup>39</sup> Andrew Mack, “A More Secure World?” *Cato Unbound*, February 7, 2011 <<http://www.cato-unbound.org/2011/02/07/andrew-mack/a-more-secure-world/>>. Human Security Report Project, *Human Security Report 2009–2010: The Causes of Peace and the Shrinking Costs of War* (New York: Oxford University Press, 2011) <<http://www.hsrgroup.org/human-security-reports/20092010/overview.aspx>>.

transnational in nature, and emanate from non-state actors or forces. These cross-border concerns include both purposive, malevolent threats—such as terrorism, crime, and the proliferation of weapons of mass destruction—as well as “threats without a threatener,” such as pandemics and climate change. This new threat environment poses fundamentally different strategic challenges to the world’s leading states than the management of global and regional balances of power. While zero-sum competition persists in some areas, major powers also find themselves coping with new logics of security interdependence.

Terrorism, of course, is not a new phenomenon. From Guy Fawkes’s efforts to blow up the Houses of Parliament, to Gavrilo Princip’s assassination of Archduke Franz Ferdinand, individuals and groups have planned and executed terrorist acts to advance political and ideological agendas. What *has* changed is the potential scale of such attacks, and the sweeping objectives of some perpetrators. Terrorist groups have emerged that aspire not merely to local goals, but to undermine global order and transform the international system. Simultaneously, the diffusion of new technologies of mass destruction could provide them with the means to accomplish their ends.<sup>40</sup>

Despite the death of its leader Osama bin Laden in spring 2011, al Qaeda remains the most dangerous transnational terrorist group the world has ever known. Since 9/11, al Qaeda has evolved from a hierarchical organization into a looser network of affiliates and franchises, with cells in scores of countries worldwide. The experience of 9/11 illustrated how damaging even a conventional attack by a modern terrorist group could be—and how difficult it is for even the world’s most powerful state to respond to such asymmetric threats. Bin Laden boasted that 9/11 had cost the terrorist group just \$500,000 to pull off, and yet cost the US economy some \$500 billion—giving al Qaeda a return on its investment of a million to one. Were al Qaeda to gain access to, or develop, WMD capability, the implications for global security could be catastrophic, particularly given the lack of a clear “return address,” which could render traditional strategies of deterrence irrelevant.

Beyond the terrorist threat, the proliferation of nuclear, biological, and chemical weapons poses perhaps the greatest threat to global security in the early twentieth century. Contrary to the dire expectations several decades ago, actual nuclear proliferation to date has been limited. Beyond the five acknowledged nuclear weapons states (NWS) under the Nuclear Nonproliferation Treaty (NPT)—the United States, China, Russia, France, and the United Kingdom—only four states (India, Pakistan, North Korea, and Israel) have developed this capability. The world may, however, be approaching a tipping

<sup>40</sup> This section builds on chapters 2 and 3 of Stewart Patrick, *Weak Links: Fragile States, Global Threats, and International Security* (Oxford: Oxford University Press, 2011).

point. The ongoing North Korean and Iranian defiance of Security Council resolutions, Pakistan's rapid build-up of its nuclear arsenal, the clandestine spread of nuclear weapons technology, growing global interest in nuclear energy, and the slow progress by NWS in meeting their obligations on disarmament have all eroded the bargain at the heart of the NPT. The development of nuclear weapons by Iran and North Korea threatens to set off regional arms races. Exploitation of nuclear energy raises problems of misuse of dual-use technology and diversion of fissile materials. Perhaps most alarming are revelations about the nuclear black market run by the notorious Pakistani scientist A. Q. Khan, who for years ran the "Walmart" of nuclear arms trafficking. Today, some forty-nine nations possess the know-how to produce nuclear weapons. Even if most states' intentions are peaceful, the spread of nuclear technology could present opportunities for sophisticated terrorist groups such as al Qaeda to pursue their nuclear ambitions.

Nuclear weapons are not the only concern, of course. Steady advances in biotechnology will "almost inevitably place greater destructive power in the hands of smaller groups of the technically competent."<sup>41</sup> Given low barriers to entry, compared to nuclear weapons, most experts believe that bioterrorism may present even greater risks. Although likely to be less devastating than nuclear terrorism, biological weapons, including "designer bugs," could still kill people on a massive scale, cripple public health systems, induce widespread fear, and cause catastrophic economic shocks.

Of course, naturally occurring pathogens are also capable of generating global public health crises. The scourge of HIV/AIDS, which has claimed some 30 million lives over the past thirty years, and which continues to infect more than 6,500 new victims per day,<sup>42</sup> is the most prominent example. Potentially scarier are rapid-onset, short-wave pandemics, of which influenza is the most serious. Over the past decade alone, the world has faced outbreaks of avian influenza (H5N1), so-called "swine flu" (H1N1), as well as severe acute respiratory syndrome (SARS). Medical experts concur that with the right mutation, a major flu pandemic could kill tens (if not hundreds) of millions of people worldwide, and cause a prolonged global economic crisis. The emergence of new infectious diseases—and the reemergence of old diseases in new and more virulent forms—makes clear that we live in an "epidemiologically interdependent world."<sup>43</sup>

<sup>41</sup> Christopher F. Chyba and Alex L. Greninger, "Biotechnology and Bioterrorism: An Unprecedented World," *Survival*, 46:2 (Summer 2004), 143–4.

<sup>42</sup> AVERT, "Global HIV and AIDS Estimates, end of 2009" <<http://www.avert.org/worldstats.htm>>.

<sup>43</sup> David P. Fidler and Nick Drager, "Health and Foreign Policy," *Bulletin of the World Health Organization* (September 2006), 697.

Over the long term, potentially the greatest existential threat to global security is the looming planetary catastrophe posed by climate change, “the most difficult collective action problem the world has ever faced.”<sup>44</sup> According to the American Meteorological Society, there is a 90 per cent probability that the earth’s average temperature will increase between 3.5 and 7.4 degrees Celsius by the end of the century.<sup>45</sup> The dire consequences of global warming are likely to include melting of polar ice caps and dramatic rises in sea levels, extreme weather patterns, desertification, water shortages and famine, accompanied by mass population movements and, conceivably, violent conflict. While some regions may benefit from climate change, these are likely to be dwarfed at the global level by negative effects. Avoiding the worst consequences of a warming planet will require dramatic cuts in greenhouse gases and major investments in adaptation, neither of which appears on the immediate horizon.

Deepening security, economic, and ecological interdependence is transforming the nature of world politics, increasing incentives for cooperative problem-solving to address mutual vulnerabilities. In an increasingly interdependent world, the challenge for state leaders is to create effective structures of “global governance”—conceived (in the words of the National Intelligence Council) as “the collective management of common problems at the international level.”<sup>46</sup> Governance, of course, differs from government, which implies “sovereign prerogatives and hierarchical authority.” It refers rather to pragmatic problem-solving, through both formal and informal structures. Governance also is conducted not only between states, but international and regional organizations, transnational networks, and non-state actors, aligned in an effort to provide public goods and mitigate transnational “bads.”

## The persistence of autocracies and the specter of failing states

Over the past two decades, world politics has come to focus less on great power rivalry than on the spillover consequences of venal or dysfunctional governance in the developing world. The frustrating vitality of authoritarian regimes and the failure and collapse of other states have become major threats to global order.

<sup>44</sup> Joshua W. Busby, “After Copenhagen: Climate Change and the Road Ahead,” Council on Foreign Relations Working Paper (Washington, DC: CFR, August 2010), 1 <<http://www.cfr.org/climate-change/after-copenhagen/p22726>>.

<sup>45</sup> See “Issue Brief,” *Global Governance Monitor: Climate Change*, Council on Foreign Relations [website] <[http://www.cfr.org/global-governance/global-governance-monitor/p18985#/Climate Change/Issue Brief/](http://www.cfr.org/global-governance/global-governance-monitor/p18985#/Climate%20Change/Issue%20Brief/)> (last updated May 21, 2012).

<sup>46</sup> National Intelligence Council and EUISS, *Global Governance 2025*.



The post-Cold War era began with enormous optimism about a global democratic revolution. In fact, the road to democracy has proven far bumpier and uneven than many in the West predicted following the collapse of the Berlin Wall. In country after country, politicians have exploited electoral processes, only to subsequently subvert constitutional liberalism, including the rule of law and basic human rights, and to govern in an autocratic fashion. The hard lesson, as Fareed Zakaria observed in 1997, is that democracy is no guarantee of liberty.<sup>47</sup>

In its most recent annual report, *Freedom in the World 2011: The Authoritarian Challenge to Democracy*,<sup>48</sup> the non-governmental organization Freedom House reported that global freedom had declined for the fifth year in a row. The reasons behind this trend, as Joshua Kurlantzick notes, are various: in some countries, such as Venezuela, demagogic populists have subverted democratic norms to move their countries in authoritarian directions; in others, including Thailand and Honduras, middle-class voters have supported coups against left-wing leaders. Authoritarian rulers everywhere have found support and succor in the examples of the world's most influential autocracies, including China, Russia, and Saudi Arabia. Finally, and disappointingly, established democracies in the developing world, such as India, Brazil, and South Africa, have shied away from criticizing the authoritarian tendencies of autocratic leaders, such as Robert Mugabe or the repressive Burmese junta. They ignore their brutality on grounds of Third World solidarity and an absolutist, postcolonial respect for the internal sovereignty of fellow developing countries.<sup>49</sup>

A parallel global trend has been the rise of weak and failing states. Historically, students of international relations have conceived of world politics as an “anarchical,” Hobbesian realm, in contrast to the relative stability of the sovereign domestic political arena. In the post-Cold War world, the reverse has been closer to the truth. Put simply, the locus of instability and violent conflict has shifted from the interstate to the intrastate realm. Since 1991, the world has experienced very little warfare among states, but high levels of internal conflict and civil war. These include protracted situations of often brutal violence such as the Democratic Republic of the Congo, where some four million people may have died of war-related causes since 1997. Thanks in part to a major expansion of UN efforts at conflict prevention and

<sup>47</sup> Fareed Zakaria, “The Rise of Illiberal Democracy,” *Foreign Affairs* (November/December 1997).

<sup>48</sup> <<http://freedomhouse.org/template.cfm?page=70&release=1310>>.

<sup>49</sup> Josh Kurlantzick, “The Great Democracy Meltdown: Why the World is Becoming Less Free,” *The New Republic*, May 19, 2011.

peacekeeping, global levels of intrastate violence have declined since the mid-1990s.<sup>50</sup> Nevertheless, internal conflict remains a central preoccupation of the UN Security Council. As of 2010, the United Nations had some 100,000 troops—the second-largest globally deployed armed force after the United States—in sixteen peace operations around the globe.

The “failed state” phenomenon first rose to international prominence in the early 1990s, in the wake of the collapse of Somalia, the dissolution of Yugoslavia, and the horrific genocide in Rwanda. During the 1990s, the West’s primary preoccupation with such states was humanitarian—a desire to alleviate human suffering. This strategic calculus changed fundamentally following the terrorist attacks of September 11, 2001. Al Qaeda was able to launch the most devastating assault on the United States in US history from Afghanistan, one of the world’s poorest and most wretched countries. This persuaded the Bush administration, in the words of the 2002 National Security Strategy, that “the United States is now threatened less by conquering states than we are by failing ones.”<sup>51</sup> Suddenly, the Westphalian problem of great power rivalry had been eclipsed by risks from “pre-Westphalian” states—countries unable to exercise even the rudimentary functions of sovereignty, with potentially devastating consequences for global security.<sup>52</sup> Such preoccupations carried into the Obama administration, with Secretary of State Hillary Clinton warning of “the chaos that flows from failed states.” Her counterpart, Secretary of Defense Robert Gates, likewise predicted in 2010: “Dealing with such fractured and failing states is, in many ways, the main security challenge of our time.”<sup>53</sup> This new threat perception has driven a slew of US institutional innovations spanning the realms of intelligence, defense, diplomacy, and development.

Nor has it been restricted to the United States. In recent years, senior UN officials have depicted state failure as the Achilles heel of global collective security, and UN reform initiatives have underscored the need for effective, sovereign states to contend with today’s transnational dangers. As the then UN Secretary General, Kofi Annan, declared, “Whether the threat is terror or

<sup>50</sup> Human Security Report Project, *Human Security Report 2005: War and Peace in the 21st Century* (New York: Oxford University Press, 2005) <<http://www.hsrgroup.org/human-security-reports/2005/text.aspx>>.

<sup>51</sup> White House, *National Security Strategy of the United States of America* (Washington, DC: The White House, 2002).

<sup>52</sup> This view was captured in a breathless document from the US Agency for International Development of 2003: “When development and governance fail in a country, the consequences can engulf entire regions and leap across the world. Terrorism, political violence, civil wars, organized crime, drug trafficking, infectious diseases, environmental crises, refugee flows and mass migration cascade across the borders of weak states more destructively than ever before.” USAID, *Foreign Aid in the National Interest: Promoting Freedom, Security, and Opportunity* (Washington, DC: USAID, 2003).

<sup>53</sup> Gates quotation from May 2010, cited in Patrick, *Weak Links*, 18.

AIDS, a threat to one is a threat to all . . . Our defenses are only as strong as their weakest link.”<sup>54</sup> Many national governments, particularly in the wealthy world, have adapted their defense, diplomatic, and development policies and instruments to help prevent state failure, respond to its aftermath, and quarantine themselves from its presumed “spillover effects.” In sum, much of the focus of global collective security has shifted from counterbalancing potentially aggressive powers, to assisting fragile, conflict-affected, and post-war countries in achieving effective statehood, including over so-called “un-governed” areas.

### The rise of regionalism

One of the most dramatic changes of the last two decades has been the rise of regional and subregional organizations as frameworks for collective action in addressing this new global agenda. By one count, the world boasted 173 such organizations at the end of the first decade of the new millennium. Increasingly, such bodies complement, and sometimes compete with, universal institutions like the United Nations or the IMF. Regional integration is most pronounced in Europe, of course, where European Union member states have pooled their sovereignty in unprecedented degrees. This includes the adoption by a majority of EU states of economic and monetary union, and the EU’s movement, still formative, toward a common foreign and security policy. Notwithstanding the 2010–11 eurozone crisis, European integration remains an historic achievement in a region that for centuries witnessed recurrent, bloody struggles for continental hegemony.

Beyond Europe, regionalism is most developed in East Asia, which boasts a bewildering array of regional and subregional bodies to advance political, security, and economic cooperation.<sup>55</sup> These range from encompassing forums like the Asia–Pacific Economic Cooperation (APEC) forum and the East Asia Summit (EAS), to more limited entities like the Association of Southeast Asian Nations (ASEAN), the ASEAN Regional Forum (ARF), ASEAN Plus Three, and the Six-Party Talks on the Korean Peninsula. In the wake of the Asian financial crisis of 1997, East Asian countries embraced the Chiang Mai Initiative, as a form of self-insurance against volatile capital flows. How this emerging Asian architecture will evolve as China continues its precipitous rise—and how it will relate to the enduring US network of (largely bilateral)

<sup>54</sup> Kofi Annan, remarks at the Council on Foreign Relations, New York, December 16, 2004.

<sup>55</sup> Evan A. Feigenbaum and Robert A. Manning, *The United States in the New Asia*, Council Special Report No. 50 (Washington, DC: Council on Foreign Relations, November 2009).

US alliances, and the historical US role as guarantor of regional security, remains to be seen.

In the Western Hemisphere, the venerable Organization of American States (OAS) continues to be the most encompassing regional body. At the same time, South American states are building economic and security links through the Common Market of the South (MERCOSUR) and the Union of South American Nations (UNASUR), respectively, even as Hugo Chavez of Venezuela has sought to organize a populist grouping, the Bolivarian Alternative for the Americas. Perhaps the most surprising advances in regional cooperation over the past decade have taken place in Africa, where the dysfunctional Organization of African Unity has given way to the African Union (AU) and its regional economic communities. In contrast to its predecessor, the AU has embraced an ambitious mandate for regional peace and security, including a doctrine of “non-indifference” to undemocratic transfers of power. At the same time, the AU lacks the robust capabilities—and often the political will—to put its ambitions into practice.<sup>56</sup>

Generally speaking, the emergence of regional and subregional organizations is a positive development. Chapter VIII of the UN Charter clearly envisioned a role for such bodies, which may be more effective vehicles for addressing transnational problems and providing global public goods. The members of regional organizations may face similar threats, have more at stake with a given challenge, possess closer cultural ties, and have longer histories of cooperation. Ideally, regionalism can provide a building block for more effective global governance, as well as permitting useful divisions of labor with more encompassing institutions. The trend is not without risks, however. Regional bodies can also increase the risk of global fragmentation into competing political, economic and security blocs, and create tensions with universal, treaty-based multilateral institutions, ranging from the WTO to the United Nations. Regional and subregional organizations also vary enormously in their capabilities and perceived legitimacy. At times, burden sharing may become “burden shifting,” as universal bodies like the United Nations slough off responsibilities (such as peacekeeping) to entities (say, the AU) that may be unprepared to fulfill those mandates. Such bodies also run the risk of being dominated by regional power centers, whether China in East Asia, India in South Asia, Brazil in South America, or South Africa (or Nigeria) in sub-Saharan Africa. Despite these risks, regionalism seems destined to grow as an international force.

<sup>56</sup> See Paul D. Williams, “The African Union’s Conflict Management Capabilities,” CFR Working Paper (Washington, DC: Council on Foreign Relations, 2011).

## Changing norms of sovereignty and intervention

State sovereignty remains, as it has been for more than three and a half centuries, the cornerstone of international order. Since the end of the Cold War, however, it has come under significant stress. Traditionally, sovereignty has implied four things: supreme political authority over a given territory and population, including a monopoly over the use of armed force; the ability to control movements across its borders, including of people and goods; the ability to make foreign (as well as domestic) policy choices freely; and freedom from external intervention. To be sure, sovereignty has never been sacrosanct, and has often been violated in practice.<sup>57</sup> Still, as Richard Haass has written, “each of these components—internal authority, border control, policy autonomy, and non-intervention—is being challenged in unprecedented ways.”<sup>58</sup>

Take the first dimension. There are some 193 members of the United Nations that possess *de jure* sovereignty, recognized as members in equal standing. And yet, as the preceding section noted, many weak and failing states lack *de facto* sovereignty, finding themselves unable to marshal the capacity or legitimacy to translate their legal status into effective action. Over the past two decades, the international community has devoted hundreds of billions of dollars (with mixed results) to advance state-building in the developing world. Beyond Afghanistan and Iraq, these efforts have ranged from East Timor, to Liberia, to Haiti.

Second, globalization is testing capabilities of all states, including the most powerful, to control flows across their borders. The past two decades have seen an explosion of cross-border transactions, driven largely by private corporations and other non-state actors. States are struggling to cope with the swelling volume and accelerating velocity of the movements of goods, capital, technology, ideas and people. They are discovering that beyond providing tangible “goods,” such as economic opportunity, growing interdependence brings increased vulnerability to transnational “bads.” In an effort to regain some sovereign control over these transactions, countries are entering into new bilateral and multilateral arrangements to manage risks ranging from financial instability, to transnational terrorism, narcotics production, WMD proliferation, and infectious disease.<sup>59</sup>

Third, in some cases, states are choosing to pool or delegate sovereign rights in return for the benefits of multilateral cooperation. This process is most

<sup>57</sup> Stephen D. Krasner, *Sovereignty: Organized Hypocrisy* (Princeton: Princeton University Press, 1999).

<sup>58</sup> This section draws on Richard Haass’s 2003 speech, “Sovereignty: Existing Rights, Evolving Responsibilities,” which the author assisted in drafting as a member of the State Department Policy Planning Staff.

<sup>59</sup> Michael Chertoff, “The Responsibility to Contain,” *Foreign Affairs* (January/February 2009).

advanced within the European Union, whose members have taken unprecedented steps toward economic and monetary union, as well as toward a common foreign and security policy. Such supranationalism remains the exception globally. But all states face a basic conundrum of how much freedom of action and policy autonomy to relinquish in return for the benefits of institutionalized multilateral cooperation. The United States—by virtue of its unmatched power, tradition of “exceptionalism,” and unique constitutional structure—has been among the most resistant to delegating sovereignty to international bodies and treaties. But even it is not immune. Under the Chemical Weapons Convention, for instance, the United States has accepted an intrusive inspection regime that requires it to open its military installations and private industry facilities to international scrutiny. Likewise, under the World Trade Organization, the United States has accepted to submit any trade complaints to a binding dispute settlement mechanism, forswearing unilateral action. (By contrast, the United States has not joined others in accepting the International Criminal Court (ICC), on the grounds that it would subordinate judicial decisions in the United States to review by an outside body—as well as place US military troops and officials at risk of politically motivated prosecutions).

Fourth, and most dramatically, the past two decades have seen renewed debates over the limits of sovereignty. There is an increasing tendency to treat it as something not absolute, but *contingent* on whether the state meets fundamental obligations, both to its own citizens, and to wider international society. According to this emerging view, which has been most strongly backed by Western countries, a regime may lose its presumption of non-intervention in its internal affairs in one of two conditions: if it commits mass atrocities against its people or, alternatively, if it poses a grave threat to global security by supporting or harboring terrorist groups or pursuing WMD in contravention of its international obligations.

From the very foundation of the United Nations, of course, there has been a tension between the principles of state sovereignty and non-intervention (pledged in article 2.7 of the UN Charter), and the UN’s parallel concern (embodied in the Charter, and also in the Universal Declaration of Human Rights) with the dignity and freedom of the individual. The contingency of state sovereignty is clearest in the rise of a new norm, the so-called “responsibility to protect” (R2P), which UN member states unanimously endorsed at the UN World Summit in September 2005. Intended to help prevent future Rwandas, Srebrenicas, and Kosovos—instances in which murderous regimes, or their proxies, slaughtered thousands of unarmed civilians—the norm of “R2P” establishes that each state has an unconditional obligation to prevent atrocities from being committed against its inhabitants. (The genius of “R2P” was to shift the international conversation away from fruitless debates over an

international “right to intervention” toward a more affirmative doctrine of sovereignty as responsibility). Each UN member state has an obligation to protect citizens from genocide, war crimes, crimes against humanity, and ethnic cleansing. At the same time, the concept recognizes that sovereignty is, in effect, *contingent*, dependent on the state’s fulfillment of these fundamental obligations. When a government fails to discharge those obligations, either by making war on its citizens—or failing to prevent atrocities from being committed against them—the “responsibility to protect” transfers to the international community, which may take a variety of actions—including resorting to military force.

The international community continues to struggle with transforming the responsibility to protect into an operational norm. To preserve the fragile consensus, and in the face of considerable “buyers’ remorse” from some member states, the United Nations has placed much of its practical focus on capacity building, in accordance with the principle of state responsibility. What the international community has not yet done is to establish a clear threshold and triggering mechanism for launching more coercive interventions when states fail to meet their obligations. Such debates came to the fore in debates over UNSC Resolution 1973 of March 2011, which authorized the creation of a “no-fly zone” and the use of “all necessary means” to protect civilians from the threat of atrocities at the hands of Libyan leader Moammar Qaddafi.

## Conclusion

In *The Twenty Years’ Crisis*, his seminal treatment of international relations, the British diplomat and scholar E. H. Carr indicted the statesmen of the interwar years for neglecting the centrality of power in world politics, and for falling prey to utopian thinking. And yet Carr was no pure realist, for he understood the power of morality and idealism in international politics.<sup>60</sup>

In the two decades since the end of the Cold War, the world has experienced massive geopolitical, technological, economic, and normative shifts. Immediately following the collapse of the Soviet Union, the United States embraced a privileged position as a benevolent global hegemon, inspiring many other countries to bandwagon with it, rather than oppose it. The result was a brief window of unchallenged US primacy, at a time of deepening global interdependence. That hegemony took a more forceful—and in many eyes coercive—

<sup>60</sup> E. H. Carr, *The Twenty Years’ Crisis 1919–1939*, Second edition (London: MacMillan, 1946), 235–9.

turn after September 11, 2001, when the United States sustained the worst terrorist attack in its history.

That “unipolar moment” proved fleeting. By the second decade of the new millennium, the structure and nature of world politics had altered. New centers of world power had risen, potentially challenging the US-led, Western liberal order. On the positive side, traditional warfare, both interstate and intrastate, had declined dramatically. More negatively, rapid technological change and deepening interdependence had transformed the global security agenda, enabling transnational threats—from WMD proliferation, to pandemic disease, to climate change. Meanwhile, the once-hoped-for worldwide democratic revolution had stalled, leaving authoritarian and failing states populating much of the developing world.

Coping with this daunting agenda will require reinvigorating multilateral cooperation. One approach is to retool and reform international institutions—always an arduous task, in the best of circumstances. Another is to experiment with new forms of collective action to generate global public goods and mitigate global “bads,” whether through ad hoc arrangements or new, standing regional and subregional organizations. And a third is to negotiate new legal norms and principles to make state sovereignty—and its attendant doctrine of non-intervention—conditional on the discharge of certain fundamental obligations.

The world of the twenty-first century is quite different than Carr’s day, of course. And yet the dialogue between the real and the ideal continues. Contemporary statesmen and women, no less than their predecessors, face the challenge of negotiating rapid power transitions, finding common ground amid competing interests and preferences, and developing new multilateral norms mechanisms to manage conflict and growing levels of interdependence. In navigating this age of turbulence, they too must strike a balance between the world as it is, and the world as they would have it be.



## 2

# From Realism to the Liberal Peace

## Twenty Years of Research on the Causes of War

*John R. ONeal*

Research in political science on the causes of war was dominated until recently by realists.\* After the Second World War, scholars reacted to the idealism of the interwar years by asserting the primacy of power. National capabilities, they maintained, shape the behavior of states and determine the outcomes of their interactions as each pursues its national interests in the absence of world government. The onset of the Cold War confirmed the relevance of the realist critique; but E. H. Carr, Hans Morgenthau, and others of the early postwar years, had little to offer beyond a conceptual framework and maxims for the conduct of foreign affairs. Later, Kenneth Waltz sought to inject greater theoretical rigor. War cannot be explained by reductionist theories, he maintained. National leaders must respond to the constraints imposed by the global distribution of power, so the use of force is not associated with particular forms of government or economic systems. War is rooted in the international system. Even the actions of a country with purely defensive motives may have violent consequences because others may be unsure its intentions are peaceful. The solution is a self-organizing balance of power, with networks of alliances to preserve the independence of states while minimizing armed conflict. Waltz, like his predecessors, relied on historical examples to illustrate his arguments. Thus, twenty years ago, international relations research was predominantly realist in approach, oriented to the international system, and classical in its scholarship.

Today, liberal rather than realist theories dominate research on the causes of war in political science. Social scientific studies show that democracies are

\* The author would like to thank Margit Bussmann, Karl DeRouen, Michael Mousseau, and Bruce Russett for their helpful comments.

unlikely to fight one another; and economic interdependence, too, increases the prospects for peace. Importantly, democracy and trade have effects at least as great as those of power and alliances, and they are more amenable to manipulation. These conclusions are based on quantitative studies of many pairs of states through time. By considering virtually all countries for more than a century, these analyses have great statistical power.

In the next section I review the pre-eminent position of realism twenty years ago, and discuss the reasons for its decline. Then I provide evidence that liberalism has dominated the discourse over the past ten years. To indicate the contributions democracy and interdependence make in reducing the risk of war, I report the results of new analyses of over 12,000 pairs of states over the period 1885–2001, using the same statistical techniques employed by medical epidemiologists. These tests are conducted using a liberal–realist model (LRM) of armed interstate conflict that incorporates key elements from both schools of thought. The contribution economic development makes is also discussed. Key elements of realism also receive support in these analyses, but realism does not provide a path to world peace. The best hope is continued liberal reforms—the expansion and deepening of democracy and capitalism and the inclusion of more countries in the international economic system. Fortunately, globalization has advanced rapidly in recent decades, and the prospects for its continued expansion, despite the travails of the Great Recession, are good.

## Realist theories of the causes of war

After the First World War, idealists presented moralistic arguments that inspired efforts to abolish war by international agreement. This culminated in the League of Nations and the Kellogg–Briand Pact. The stark evidence of failure presented by the Second World War led to the realist reaction, notably in the publication of the second edition of E. H. Carr's *The Twenty Year Crisis*, and the first of many editions of Hans Morgenthau's *Power Among Nations*, the most widely used international relations text in American colleges.<sup>1</sup>

Central to Morgenthau's analysis was the inevitability of the quest for power by states wishing to remain independent. This makes a balance of power necessary if states are to preserve their sovereignty and minimize the risk of war, an argument common in republican political theory since the time

<sup>1</sup> Edward Hallett Carr, *The Twenty Years' Crisis, 1919–1939*, 2nd edition (London: Macmillan, 1946); Hans J. Morgenthau, *Power among Nations: The Struggle for Power and Peace* (New York: Knopf, 1948).

of Rome.<sup>2</sup> But Morgenthau did not offer a testable theory of world politics, and the “balance of power” had many meanings. Realism was a conceptual framework that oriented study or a paradigm within which advice on foreign affairs could be offered. It was a wake-up call easily summarized: in an anarchic world—in the world as it is, rather than how we would like it to be—a state must be concerned with power and what it can do to develop it. Its power must be adequate to protect its sovereignty and territorial integrity and to promote its national interests. Its policies can succeed only if backed by power. The power of potential adversaries is mortally dangerous, and states must be able to mobilize, unilaterally or in combination, power equal or superior to that of its rivals, because there is no world government and international law is an empty phrase. “States may fail to recognize these truths, or may not be able to meet these requirements successfully, but prudent men will recognize the validity of this analysis of international reality and try to conform to the requirements which it poses.”<sup>3</sup>

Waltz sought to inject greater rigor into realism. His *Theory of International Politics*, published in 1979, set the standard against which theoretical works would be judged for a generation.<sup>4</sup> Waltz, like Morgenthau, emphasized the importance of the balance of power; but he focused on the structure of the international system, not diplomacy and foreign policy. In Waltz’s neo-realism, what matters are the number of great powers and the distribution of militarily relevant capabilities. A bipolar system is best because it is simplest, allowing the rivals to focus their attention. The danger of war is also reduced by uncertainty about who would win a contest of arms. Neither state can be confident of victory so, especially with all that is at stake, each will act cautiously. The superpowers should also prevent adventurism by small states, fearing that they will be drawn into a costly war. Waltz supported his theoretical claims in traditional, humanist fashion, by erudite argument and telling examples; but his historical references were illustrative, not systematically generated or subject to statistical testing.

The importance of realism and Waltz’s standing are indicated in a 1990 survey of the field widely used in graduate schools. In Dougherty and Pfaltzgraff’s reader, 104 of the 575 pages are devoted to chapters on “Power and Realist Theory” and “Systemic Theories of Politics and International Relations.” Waltz and J. David Singer, whose leadership in the Correlates of War project is discussed below, are the most frequently cited researchers.<sup>5</sup> There is no chapter on liberal theory; indeed, no entry in the index for liberalism or the

<sup>2</sup> Daniel H. Deudney, *Bounding Power: Republican Security Theory from the Polis to the Global Village* (Princeton, NJ: Princeton University Press, 2007).

<sup>3</sup> Inis L. Claude, *Power and International Relations* (New York: Random House, 1962), 36.

<sup>4</sup> Kenneth Waltz, *Theory of International Politics* (Reading, MA: Addison-Wesley, 1979).

<sup>5</sup> James Rosenau is the most cited scholar, but most are to a volume he edited.

democratic peace. Only isolated references are made to Adam Smith and other liberals, first as the utopian foil for Carr, and then dismissively in the introduction to a chapter on “Imperialism and Economic Causes of International Conflict.” Montesquieu is given one page in a section on “The Origins of Modern Pacifism.” Norman Angell’s view that war in the industrial age is an unprofitable anachronism is briefly discussed in the same section. Dougherty and Pfaltzgraff note only in passing that there has never been a war between two democracies.<sup>6</sup>

Realism’s dominant position twenty years ago is confirmed in a recent review of the quantitative literature published from 1970 to 2000.<sup>7</sup> From 1985 to 1989, 48 per cent of data-based articles were realist in orientation. Except for 1970–4, when 49 per cent were, this was the highest percentage for any five-year period over the thirty years examined. Only 16 per cent of the articles, 1985–9, were liberal in theoretical focus, versus 8 per cent in 1970–4.

Despite realism’s success, there was no agreement among realists on key points. Doubts about the advantages of bipolarity had been expressed early on by Karl Deutsch and Singer, who argued that war should be *less* frequent in multipolar systems than in bipolar ones. Then, cross-cutting cleavages are more likely, and the consequences of uneven development, anticipated by Lenin, can be offset by shifting alliances.<sup>8</sup> Nor was there a consensus regarding the consequences of an equal balance of power for bilateral relations. Waltz believed balanced bipolar systems are most peaceful; but Kenneth Organski, echoing Thucydides and Hobbes, argued that peace, if not justice, is most likely when one state holds a preponderance of power.<sup>9</sup> Then, the expected winner is evident, so war is unlikely. Organski, like Waltz, was primarily interested, however, in the systemic implications of the bilateral balance between the leading state and potential challengers. Because a preponderance of power discourages conflict, a unipolar system is best, he believed. A strong leading state will substitute partially for world government.<sup>10</sup> For Waltz, unbalanced power simply meant unchecked aggression.

The consequences for world peace of the polarity of the system—whether one, two, three, or more great powers, is best—and the effect of concentrated

<sup>6</sup> James E. Dougherty and Robert L. Pfaltzgraff, Jr., *Contending Theories of International Relations: A Comprehensive Survey*, 3rd edition (New York: Harper and Row, 1990), 5, 197, 223, and 356.

<sup>7</sup> Thomas C. Walker and Jeffrey S. Morton, “Re-Assessing the ‘Power of Power Politics’ Thesis: Is Realism Still Dominant?” *International Studies Review*, 7 (June 2005), 341–56.

<sup>8</sup> Karl W. Deutsch and J. David Singer, “Multipolar Power Systems and International Stability,” *World Politics*, 16 (April 1964), 390–406.

<sup>9</sup> A. F. K. Organski, *World Politics*, 2nd edition (New York: Knopf, 1968); also, Robert Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University Press, 1981).

<sup>10</sup> This is the essence of hegemonic-stability theory. Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton, NJ: Princeton University Press, 1984).

versus diffuse distributions of national capabilities among the leading states could not be settled logically or by selective references to history. Debates were lively from the 1960s through the 1980s; but disagreement persisted.

Indeed, realists remain divided on fundamentals. In a book that “ranks with, and in many respects supersedes, the works of Morgenthau and Waltz,” John Mearsheimer has again argued for the greater peacefulness of bipolar systems.<sup>11</sup> He addresses fundamental questions: Why do great powers want power, and how much do they want? What is power, and by what strategies do states try to acquire it? He expresses his hope that he can provide convincing answers; but realism, he notes, is a rich tradition with a long history, and disagreements are common, so “there is no consensus among realists on the answers to any of them.”<sup>12</sup> The situation has changed little since 1981, when Stanley Hoffmann concluded that “we are all realists now, but there are not two realists who agree either in their analysis of what is, or on what ought to be, or on how to get from here to there.”<sup>13</sup>

### The behavioral revolution in the study of war and peace

Inconclusive debates among realists encouraged the “behavioral revolution” in political science in the 1960s. J. David Singer, and others of the Correlates of War (COW) project, collected information on wars among the major powers after 1815. In keeping with the then dominant approach, they focused on the international system, emphasizing the structural conditions within which great powers act. They measured national capabilities along three dimensions: *demographic* (total and urban population), *industrial* (energy consumption and iron or steel production), and *military* (total expenditures and the number of armed forces personnel). Singer et al. correlated measures of the concentration of power with the incidence of war among the major powers, but their results were disappointing.<sup>14</sup> There was no consistent relationship between the distribution of capabilities and either the frequency or severity of war. Refined analyses in the 1980s confirmed that structural features of the international

<sup>11</sup> John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W. W. Norton, 2001). The judgment is Samuel Huntington's, who is quoted on the cover.

<sup>12</sup> Mearsheimer, *The Tragedy of Great Power Politics*, 13.

<sup>13</sup> Stanley Hoffmann, *Duties Beyond Borders: On the Limits and Possibilities of Ethical International Politics* (Syracuse, NY: Syracuse University Press, 1981), 659. Realism does not meet the standards for a progressive scientific research program. John Vasquez, *The Power of Power Politics: From Classical Realism to Neotraditionalism*, 2nd edition (Cambridge: Cambridge University Press, 1998). Contrast Fred Chernoff, “The Study of Democratic Peace and Progress in International Relations,” *International Studies Review*, 6 (March 2004), 49–78.

<sup>14</sup> J. David Singer, Stuart Bremer, and John Stuckey, “Capability Distribution, Uncertainty, and Major Power War, 1820–1965,” in Bruce Russett (ed.), *Peace, War, and Numbers* (Beverly Hills, CA: Sage, 1972).

system—the distribution of power or polarity of the system—are not good predictors of military conflict.<sup>15</sup>

If realists failed to provide convincing answers twenty years ago regarding the causes of war, liberals did no better. Several quantitative studies sought to determine whether democracies have been more peaceful than non-democratic states. In contrast to Singer et al., these investigators used the individual country, not the international system, as the unit of analysis, examining the behavior of many countries over time. Liberals hypothesized that several mechanisms might operate to make democracies more peaceful. There might be institutional constraints involving the political accountability of democratic leaders, limits on executive power, competitive political parties, and free media. Democracies might also be more peaceful because non-violent norms of conflict resolution characteristic of their domestic politics are externalized. The results of these studies, too, were inconclusive; but most failed to find a strong association between democracy and more peaceful foreign policies.<sup>16</sup>

### The ascendance of liberal theory through statistical studies of pairs of states

Recently, there has been rapid progress in research on the causes of war by analyzing pairs of states through time. In this quantitative approach, the unit of analysis is the state of relations between two countries in a given year (a “dyad-year”): two states are either involved in a military conflict or not. Such dyadic analyses allow researchers to address the questions of greatest interest to scholars and policymakers alike: which states are prone to fight one another and when? Considering pairs of states eliminates some serious methodological problems. It avoids the ecological fallacy that plagued systemic studies and, unlike research with individual states, it can easily accommodate relational variables like trade, alliances, or the balance of power.

Early works by Solomon Polachek and Bueno de Mesquita were path-breaking, but Stuart Bremer’s research in the early 1990s—using a liberal–realist model of dyadic interstate conflict—sparked most new studies.<sup>17</sup> Bremer incorporated, in a single statistical model, elements from the two major

<sup>15</sup> Patrick James, “Structural Realism and the Causes of War,” *Mershon International Studies Review*, 39 (October 1995), 181–208.

<sup>16</sup> Stephen L. Quackenbush and Michael Rudy, “Evaluating the Monadic Democratic Peace,” *Conflict Management and Peace Science*, 26 (July 2009), 268–85.

<sup>17</sup> Solomon W. Polachek, “Conflict and Trade,” *Journal of Conflict Resolution*, 24 (March 1980), 55–78; Bruce Bueno de Mesquita, *The War Trap* (New Haven, CT: Yale University Press, 1981); Stuart Bremer, “Dangerous Dyads,” *Journal of Conflict Resolution*, 36 (June 1992), 309–41.

schools of international relations amenable to social scientific investigation: the liberal, in which the character of states' political regimes, their economic relations, and involvement in international organizations are thought to influence international behavior; and the realist, with its emphasis on the absolute and relative power of nations, alliances, and geographic considerations.

The analyses below confirm that both theoretical traditions help explain who fights whom. Two democracies are unlikely to be involved in a militarized dispute, and economic interdependence dramatically improves the prospects for peace; but the bilateral balance of power and the ability of states to project military force at a distance also matter. Surprisingly, however, the liberal factors are at least as influential as power; they are much more important than alliances. Most importantly, the liberal variables are amenable to manipulation. All states can become democratic and integrated into the international economy. All cannot enjoy favorable balances of power or become allies. It is this potential for constructive social engineering that gives liberalism its special appeal.

The ascendance of liberalism is easily documented. Consider again Walker and Morton's survey of the literature. From 1970 through 1974, only 8 per cent of the articles were evaluations of liberal theory; by 1995–2000, 39 per cent were—nearly twice as many as were categorized as realist in orientation (22 per cent). Presidential addresses to the American Political Science Association in 2002, and the International Studies Association in 2008, further emphasize the importance of liberalism. Walker and Morton also document the growing application of the scientific method. In the earliest period, 1970–4, only thirty-seven data-based articles were published in the journals they surveyed. That grew to sixty-four in 1985–9, and 155 in 1995–2000. About half of all articles in political science journals now include statistical analyses.<sup>18</sup>

The acceptance of the dyadic liberal–realist model in particular is clearly indicated by its widespread use and the frequency with which this research is cited. Thomson Reuters identified the scholars most frequently cited, 1996–2006, on the subject of armed interstate conflict.<sup>19</sup> Nine of the first ten have used the LRM extensively. Thus, political science research has moved from realist to liberal theory, and support for the liberals' political

<sup>18</sup> Walker and Morton, "Re-Assessing the 'Power of Power Politics' Thesis." Robert Jervis, "Theories of War in an Era of Leading Power Peace," *American Political Science Review*, 96 (March 2002), 1–14; Nils Petter Gleditsch, "The Liberal Moment Fifteen Years On," *International Studies Quarterly*, 52 (December 2008), 691–712. Gary King, Michael Tomz, and Jason Wittenberg, "Making the Most of Statistical Analyses: Improving Interpretation and Presentation," *American Journal of Political Science*, 44 (April 2000), 347–61.

<sup>19</sup> Thomson Reuters, "Special Topics: Armed Conflict" (2006) <<http://esi-topics.com/armed-conflict/authors/b1a.html>>.

and economic prescriptions comes not from humanistic studies of the international system, but statistical analyses of pairs of states through time.

## Analyzing the onset of fatal militarized disputes, 1885–2001, using the liberal–realist model

In this section, I analyze the behavior of thousands of pairs of states from 1885 to 2001. The liberal–realist model is designed to explain (or predict) the state of relations (armed conflict or peace) between two countries in a year. Analyses with the LRM provide estimates of the probability of a militarized dispute between the United States and the Soviet Union during the Cold War or the US and Russia today, for example, or any other pair of states in particular years. The LRM can also be used to predict the likelihood of interstate violence for hypothetical cases of theoretical interest. The pooled time series of over 12,000 pairs of states for more than a century are considered here, yielding more than 430,000 dyad-years. These observations are examined using statistical techniques common in medical epidemiology. Quantitative methods can summarize information regarding the influence of democracy, the volume of trade, measures of national capabilities, etc. that would take hundreds of books to record.

I focus on militarized interstate disputes (MIDs) involving a use of force by one state against another that results in the death of at least one combatant. Such “fatal disputes” are more numerous than large wars, increasing the precision of the statistical estimates; but they are of greater seriousness than mere threats or demonstrations of force, which are more apt to involve bluffing. Nevertheless, the results are very similar across the three levels of violence: all militarized disputes, fatal disputes, and wars involving at least a thousand battle deaths.<sup>20</sup> The analysis of fatal MIDs also protects against the bias that comes from under-reporting minor incidents in remote regions.

Liberal theory is represented in the tests below by measures of the political character of the two states, assessed along an autocracy–democracy continuum, and the degree to which the countries are economically interdependent. The latest Polity data provides independent assessments of political regimes.<sup>21</sup> Interdependence is measured using the economic importance of states’ bilateral trade relative to their gross domestic products (GDPs).<sup>22</sup>

<sup>20</sup> John R. Oneal and Bruce Russett, “Rule of Three, Let it Be? When More Really is Better,” *Conflict Management and Peace Science*, 22 (September 2005), 293–310.

<sup>21</sup> Keith Jagers and Ted Robert Gurr, “Tracking Democracy’s Third Wave with the Polity III Data,” *Journal of Peace Research*, 32 (November 1995), 469–82.

<sup>22</sup> For the years after 1949, Kristian S. Gleditsch, “Expanded Trade and GDP Data,” *Journal of Conflict Resolution*, 46 (October 2002), 712–24. The sources for economic data prior to 1950 are



The third element of the Kantian peace, international organizations, is not considered. Recent work with improved measures of institutional effectiveness provides evidence for the beneficial role intergovernmental organizations play in managing the process of globalization, but these measures are not available for the many cases examined here.<sup>23</sup>

In keeping with realist thought, I incorporate in the LRM two variables that capture the influence of power on the risk of interstate violence: (1) a measure of the balance of power between the two states in each dyad, and (2) an indicator of the larger state's power-projection capabilities. Recall that the Correlates of War project measures power along demographic, industrial, and military dimensions. The balance of power is calculated by dividing the larger state's composite index of national capability by the sum of the dyadic members' scores. This approximates the probability that the more powerful state would win a military contest. The power-projection indicator is meant to capture the ability of the larger, less constrained state to use military force at a distance.<sup>24</sup> There is also an indicator in the LRM of whether the members of a dyad in each year were allies. Realists stress the importance of geography; though liberals, too, recognize that trade and other international interactions are affected by geographic proximity. I use both a continuous measure of the capital-to-capital distance separating two countries, and an indicator of contiguity.<sup>25</sup> Finally, I consider each dyad's historical experience of violence, measured for each observation by the years of peace since the pair's last fatal dispute.<sup>26</sup> This is a way of taking into account the influence of past conflict on current dyadic relations. It provides assurance that the theoretical variables are not serving as proxies for the tenor of past relations, increasing our confidence that causal effects are being uncovered.<sup>27</sup>

discussed in Bruce Russett and John R. Oneal, *Triangulating Peace: Democracy, Interdependence, and International Organizations* (New York: Norton, 2001), 139–42.

<sup>23</sup> Charles Boehmer, Erik Gartzke, and Timothy Nordstrom, "Do Intergovernmental Organizations Promote Peace?" *World Politics*, 57 (2004), 1–38. See also Jon Pevehouse and Bruce Russett, "Democratic International Organizations Promote Peace," *Journal of Politics*, 60 (October 2006), 969–1000.

<sup>24</sup> Håvard Hegre, "Gravitating Toward War: Preponderance May Pacify but Power Kills," *Journal of Conflict Resolution*, 52 (August 2008), 566–89. The COW data used is from EUGene 3.10, D. Scott Bennett and Allan C. Stam III <<http://eugenesoftware.org>>. For details regarding variables and sources, see Håvard Hegre, John R. Oneal, and Bruce Russett, "Trade Does Promote Peace: New Simultaneous Estimates of the Reciprocal Effects of Trade and Conflict," *Journal of Peace Research*, 47 (November 2010), 763–74.

<sup>25</sup> Kenneth E. Boulding, *Conflict and Defense: A General Theory* (New York: Harper and Row, 1962).

<sup>26</sup> Nathaniel Beck, Jonathan N. Katz, and Richard Tucker, "Beyond Ordinary Logit: Taking Time Seriously in Binary-Time-Series-Cross-Section Models," *American Journal of Political Science*, 42 (October 1998), 1260–88. Only the onset of a dispute is considered; subsequent years are excluded. There is also a statistical control for the number of states in the international system in each year.

<sup>27</sup> The model "predicts" the probability of fatal armed conflict for a pair of states in one year from values for the liberal and realist variables measured the previous year, eliminating feedback

The results of estimating the liberal–realist model are easily summarized. (1) Two democracies are very peaceful, two autocracies less so; and mixed pairs of states fight a lot. Wars are less likely when those who pay the price are involved in deciding whether they will be fought, while ideological differences fuel conflict between autocracies and democracies. The animosity of these political rivals obscured the separate peace among democracies in early studies of individual states. (2) Economic interdependence reduces conflict because countries are reluctant to kill the goose laying golden eggs. Commerce also permits costly signals to be sent, reducing uncertainty and helping states avoid military conflict. (3) A preponderance of power increases the prospects for peace; a balance of capabilities is more dangerous. Leader’s private information about military capabilities is less important when there is a clear imbalance of power, decreasing the risk of miscalculation and war.<sup>28</sup> (4) Large powers are prone to fight because their interests are widespread and their capabilities for defending and promoting them are substantial. The cumulative effect of power through these two channels—the balance of power and power-projection capabilities—is discussed below. (5) An alliance has only a weak effect on the likelihood of violence. The democratic peace and good economic relations provide much greater assurances of peace than does an explicit security agreement. (6) Conflict is much more likely for states that are geographically proximate, especially those that share a border. Finally, (7) countries that have fought recently are more likely to fight again.<sup>29</sup>

Illustrative historical examples are presented in Table 1. Based on historical values of the explanatory variables for 1953, the probability of a fatal militarized dispute between the United States and the USSR is estimated to have been 26 per cent in 1954. The risk of a serious incident between the superpowers peaked at 47 per cent in 1967. With the collapse of the Soviet Union and the

**Table 1.** Estimated probabilities of the onset of a fatal militarized dispute, selected pairs of countries and years

United States–Soviet Union, 1954	25.7%
United States–Soviet Union, 1965	46.7
United States–Soviet Union, 1991	8.3
United States–Soviet Union, 2000	1.1
United States–Canada, 2000	< 0.1
France–Germany, 1938	8.3%
France–Germany, 1999	< 0.1

from a dispute to its predictors. The analysis is limited to countries with populations greater than 500,000.

<sup>28</sup> James D. Fearon, “Rationalist Explanations for War,” *International Organization*, 49 (Summer 1995), 379–414.

<sup>29</sup> The data, programs, and log files for the Stata 10 analyses reported here are posted at <<http://bama.ua.edu/~joneal/nobel2011>>. StataCorp, *Stata Statistical Software: Release 10* (College Station, TX: StataCorp LP, 2007).

end of the Warsaw Pact, the probability fell to 4 per cent in 1991. By 2000, the prospects for peace had improved further. Then the probability of a fatal MID between the former adversaries was about 1 per cent; but as expected, the risk of conflict was even less for the United States and Canada—a mere 0.1 per cent that year. The success of reconstruction in Europe after the Second World War, and development of the European Union, is evident in the second set of comparisons, which shows that the estimated risk of conflict between Germany and France fell from 8.3 per cent in 1939, to less than 0.1 per cent in 2001. These values are consistent with common understandings of historical developments, suggesting that the LRM does capture important aspects of the causes of war.

Because the LRM produces plausible historical estimates, we can have greater confidence in using it to clarify the influence of theoretical factors on the prospects for peace.<sup>30</sup> In the first line in Table 2, I present a baseline estimate of the probability of a fatal MID for two states especially prone to conflict: two large states, one a democracy and the other an autocracy, with no trade, which share a border, have proximate capitals, and are not allies.<sup>31</sup> This is a very “dangerous dyad,” like the Cold War rivals; all the variables in the LRM are set at levels conducive to war. The annual risk of a fatal dispute for this hypothetical pair of powers is 10.5 per cent, and the 95 per cent confidence interval is  $\pm 1.8$  per cent. Making both states autocratic reduces the probability to 5.0 per cent, but the danger of a fatal MID declines by over 80 per cent to 1.8 per cent if both states are democratic, *ceteris paribus*. That is a

**Table 2.** Annual probabilities of the onset of a fatal militarized dispute, hypothetical pairs of countries: based on liberal–realist model, 1885–2001

	Probability, in per cent	Change from baseline
1 Two large states (90th percentile), one democracy and one autocracy, no trade, contiguous, distance at 10th percentile, not allies, three years of peace	10.5	0
2 Two autocracies	5.0	–52%
3 Two democracies	1.8	–83%
4 Trade-to-GDP ratio at 90th percentile for contiguous pairs	3.8	–63%
5 Two democracies and trade-to-GDP ratio at 90th percentile	0.6	–94%
6 Two small states (10th percentile)	8.1	–22%
7 One large and one small state	3.1	–70%
8 Allies	8.2	–21%

Row 1 is the baseline rate. Rows 2–8 indicate the change in the baseline conditions, *ceteris paribus*.

<sup>30</sup> The probabilities of conflict reported were generated using the techniques recommended by King, Tomz, and Wittenberg, “Making the Most of Statistical Analyses.”

<sup>31</sup> Specifically, the states are at the 90th percentile in the system-wide Composite Index of National Capability (CINC) scores, at the 10th percentile in capital-to-capital distance, and there were three years since the last fatal MID.

dramatic improvement, though the risk of a fatal dispute is still not zero. Large democracies have wide-ranging interests and extensive military capabilities. Covert action may be particularly tempting for them; but large autocratic countries are much more violent. These statistical results confirm that for every instance like the United States helping to overthrow Salvador Allende's democratically elected government in 1973, there are many more cases like the Soviet interventions in East Germany in 1953, Hungary in 1956, and the 1968 Prague Spring.

These results indicate the value of analyzing interstate conflict using pairs of states rather than individual countries. The probability of war is influenced by the political character of a state's government and that of its potential adversary, an influence easily modeled in the dyadic format. Early studies assumed that institutional constraints or non-violent norms of conflict resolution would uniformly influence a democracy's relations with all other states. The evidence is sharply inconsistent with this view: a mixed pair is more than twice as war-prone as two autocracies. Democracies and autocracies fight a lot because they have a lot to fight about, and not just security and foreign policy; the LRM includes controls for these realist influences. They also contend over the organization of their political and economic systems, including rule of law, human rights, and other domestic issues. The superpowers avoided a general war during the "long peace" after the Second World War, but there were numerous fatal disputes that could have escalated.

Are democracies more peaceful than autocracies? Early studies were inconclusive because they did not take into account the political character of the opposing state. The dyadic rates of conflict reported in Table 2 can be used, however, to make meaningful comparisons. Clearly, a world of democracies would be more peaceful than one filled with autocracies. Consider a simple international system composed of three democracies. The joint probability that the three dyads will be at peace is 95 per cent (.982\*.982\*.982). The joint probability of peace for three autocracies is 86 per cent (.950\*.950\*.950). The democratic advantage compounds as the number of states in the system grows.<sup>32</sup>

The potential for promoting world peace through democratization seems apparent, but some worry that it is not democracy that promotes peace, but peace that leads to democracy.<sup>33</sup> Including the years of peace in the regression equation addresses this concern, however. If peace produced democracy and not vice versa, present values of democracy would be a function of a country's

<sup>32</sup> See also Mark Peceny and Caroline Beer, with Shannon Sanchez-Terry, "Dictatorial Peace?" *American Political Science Review*, 96 (March 2002), 15–26.

<sup>33</sup> John Mueller, "Capitalism, Peace, and the Historical Movement of Ideas," *International Interactions*, 36 (2010), 169–84.

involvement in, or avoidance of, past interstate conflict. Introducing this variable into the statistical model would then eliminate evidence for the democratic peace. As we have seen, however, joint democracy reduces the risk of a fatal dispute by 80 per cent, controlling for past conflict. Five studies explicitly estimate the reciprocal effects of democracy and peace. All confirm the democratic peace. Two report that peace also encourages democracy.<sup>34</sup> Three find evidence for the democratic peace, but not for a salutary effect of peace on democratization.<sup>35</sup> None finds that influence runs only from peace to democracy. Nor are the results reported here consistent with the view that democracy and peace are ideas that have merely spread simultaneously, but are causally unrelated. As we have seen, democracies are not uniformly non-violent: they are remarkably peaceful only toward other democracies. Nor has a cultural norm of non-violence affected relations among autocratic nations to nearly the same degree.

Table 2 indicates that economic interdependence is also a powerful force for peace. The probability of conflict drops from 10.5 per cent in the baseline case, to 3.8 per cent if the pair of states has strong trading ties and all other factors are held constant.<sup>36</sup> If the interdependent states are also democratic, the risk of a fatal MID is only 0.6 per cent, a reduction of 94 per cent from the baseline rate. Kant and other classical liberals were right: democracy and economic interdependence have important pacific benefits.

National capabilities, too, affect the risk of violence, through both the balance of power and the ability of states to project military force. The estimates in lines 6–7 of Table 2 show that the net of these two influences is that a preponderance of power, not a balance, increases the likelihood of peace. The probability that the two large states of the dangerous dyad will fight is 10.5 per cent. The risk of violence is still 8.1 per cent if both states are small, at the 10th percentile in national capabilities rather than the 90th, and the balance of power remains 50–50. It is 3.1 per cent if one country is large and the other small. Thus, the risk of conflict is greatest for two large countries, still great for two small ones, and least for a dyad characterized by a preponderance of

<sup>34</sup> Rafael Reuveny and Quan Li, "The Joint Democracy–Dyadic Conflict Nexus: A Simultaneous Equations Model," *International Studies Quarterly*, 47 (September 2003), 325–46; and Karen Rasler and William R. Thompson, "The Democratic Peace and a Sequential, Reciprocal, Causal Arrow Hypothesis," *Comparative Political Studies*, 37 (October 2004), 879–908.

<sup>35</sup> John R. Oneal and Bruce Russett, "Why 'An Identified Systemic Model of the Democracy–Peace Nexus' Does Not Persuade," *Defence and Peace Economics*, 11 (January 2000), 197–214; Dan Reiter, "Does Peace Nurture Democracy?" *Journal of Politics*, 63 (August 2001), 935–48; and Edward D. Mansfield and Jack Snyder, "Does War Influence Democratization?" in Elizabeth Krier and Donald R. Krebs (eds.), *In War's Wake: International Conflict and the Fate of Liberal Democracy* (Cambridge: Cambridge University Press, 2010), 23–66.

<sup>36</sup> To indicate a high level of interdependence, the lower trade-to-GDP ratio was set at the 90th percentile among contiguous dyads.

power. The existence of an alliance has a relatively small, statistically insignificant effect on the likelihood of a fatal dispute, as shown in line 8.

It is hardly remarkable that a country's demographic, industrial size, and military capabilities influence the prospects for peace. It is surprising, however, that the liberal variables are more influential; and it is nice that states' political regimes and their economic relations are amenable to 90th percentile relative to all other states, even over a long period of time. Certainly, they cannot all do so. Consequently, realists can counsel little more than an acceptance of fate. In contrast, a country can become democratic or remove barriers to trade with its neighbors, though liberal reforms may be difficult to achieve in practice. Similarly, some risk factors associated with heart disease—smoking or a sedentary lifestyle, for example—are under our control; but others—like gender, race, and a family history of heart attacks—are not. Fortunately, research on the liberal peace shows that nations and the international community can take actions that materially affect the prospects for peace. Moreover, most people consider democratic reform and integration into the world economy intrinsically desirable because they increase freedom and prosperity. Autocrats and economic interests that depend upon protectionism will, of course, resist; but modern history, including the ongoing Arab spring, suggests a good prognosis for world peace.

*Or is it capitalism that matters?* Some stress the importance of capitalism and economic development, rather than democracy, in creating a more peaceful world.<sup>37</sup> Of course, Adam Smith and other Enlightenment figures favored democracy and free markets domestically and internationally, so this is a debate within the liberal camp.<sup>38</sup> Estimating empirically the relative importance of democracy and capitalism can, however, guide the staging of reforms.

Capitalism is thought to encourage peace because militarized disputes disrupt commerce. In addition, large conflicts lead to greater government control of the economy, higher taxes, conscription, and increased public debt. War waged on territories rich in capital is particularly costly. Economic development also affects the value of conquest.<sup>39</sup> An advanced economy is characterized by a complex division of labor, a greater role for investment in the process of production, and an educated work force. Capital and skilled labor are apt to

<sup>37</sup> Patrick J. McDonald, *The Invisible Hand of Peace: Capitalism, the War Machine, and International Relations Theory* (New York: Cambridge University Press, 2009); Michael Mousseau, "The Social Market Roots of Democratic Peace," *International Security*, 33 (Spring 2009), 52–86; and John Mueller, *Capitalism, Democracy, and Ralph's Pretty Good Grocery* (Princeton, NJ: Princeton University Press, 1999). See also Allan Dafoe, "Statistical Critiques of the Democratic Peace: Caveat Emptor," *American Journal of Political Science*, 55 (April 2011), 247–62.

<sup>38</sup> Gerald Schneider and Nils Petter Gleditsch, "The Capitalist Peace: The Origins and Prospects of a Liberal Idea," *International Interactions*, 36 (2010), 107–14.

<sup>39</sup> Richard N. Rosecrance, *The Rise of the Trading State: Commerce and Conquest in the Modern World* (New York: Basic Books, 1986).

flee aggression, and even a successful conqueror will be more dependent on the cooperation of the populace in a developed country. Military occupation is better suited to seizing natural resources. Thus, holding constant the balance of power, peace is more likely when two states are economically developed. Capitalism may also beneficially influence society's norms. Impersonal transactions in developed economies with contract-intensive markets, according to an extensive literature in economics, anthropology, and sociology, promote values that encourage the non-violent resolution of conflict.<sup>40</sup>

To assess the relative importance of democracy and economic development in discouraging the use of military force, I added to the LRM for each dyad-year the geometric mean of the two states' real gross domestic product. Economic development was significantly associated with peace in this test, so I re-estimated the annual probability of a fatal militarized dispute for the most dangerous dyad: two poor states, one an autocracy and the other a democracy. All other variables remained at the baseline values in Table 2. The risk for this most conflict-prone dyad is 11.8 per cent. The increase from 10.5 per cent, the baseline rate with the simple LRM, confirms that less developed states are at greater risk of violence than a randomly selected pair, *ceteris paribus*. Making both states democratic dramatically reduces the danger to 2.2 per cent. Leaving their regimes unchanged, but making both wealthy, is also beneficial, though less so: the annual probability of a fatal MID decreases from 11.8 per cent to 4.4 per cent. With this augmented LRM, economic interdependence has the greatest effect of the liberal variables. Raising the trade-to-GDP ratio from the 10th to the 90th percentile reduces the risk of a fatal dispute to 1.8 per cent. As would be expected, two interdependent, developed democracies are very peaceful indeed.<sup>41</sup>

### Why are democracies peaceful, and autocracies and democracies prone to fight?

If there is consensus that democracies are more peaceful, there is little agreement as to why.<sup>42</sup> Early theories emphasizing either institutional or normative

<sup>40</sup> Mousseau, "The Social Market Roots of Democratic Peace."

<sup>41</sup> See the online appendix for additional analyses that incorporate interactive terms involving political regime type and the wealth of nations, as in Michael Mousseau, Håvard Hegre, and John R. Oneal, "How the Wealth of Nations Conditions the Liberal Peace," *European Journal of International Relations*, 9 (June 2003), 249–86.

<sup>42</sup> See Sebastian Rosato, "The Flawed Logic of Democratic Peace Theory," *American Political Science Review*, 97 (November 2003), 585–602; and the subsequent exchange in the Forum, *American Political Science Review*, 99 (August 2005), 453–72. Also, Douglas M. Gibler and Jaroslav Tir, "Settled Borders and Regime Type: Democratic Transitions as Consequences of Peaceful Territorial Transfers," *American Journal of Political Science*, 54 (October 2010), 951–68; and

constraints, as well as more recent arguments regarding the importance of signaling, predict that democracies would be consistently more peaceful than autocracies: they would not only enjoy a security community among themselves, but would fight autocracies less frequently than autocracies fight one another. As we have seen, this is not the case. Autocracies and democracies are prone to violence, perhaps because democracies pose an existential threat to autocrats.<sup>43</sup> They demonstrate the benefits of good governance: freedom, human rights, and greater public goods. West German television is said to have undermined totalitarianism in Eastern Europe during the Cold War. It may be merely good fortune that it did not spark a war. If democracies threaten authoritarian leaders, they must be prepared to defend themselves against autocrats willing to use force to stay in power.

Who is more likely to initiate violence in a mixed dyad—the autocracy or the democracy? Thus far, I have analyzed *non-directed* dyads; no attempt has been made to determine who initiated a dispute. *Directed* dyads can be used to study initiations. Each state is then paired twice with every other state in each year, once as the focal state that might use force, and once as the potential target of such action. US→USSR 1968 and USSR→US 1968, for example, are both considered.<sup>44</sup> To assess further their relative peacefulness, we can compare the likelihood that an autocracy will initiate military action against a democracy to the probability the democracy will resort to violence first. The liberal–realist model can be easily adapted to analyze initiations of armed conflict.

The results of estimating this directed LRM confirm that a democracy is unlikely to use force against another democracy. More interestingly, the likelihood that a democracy will initiate a fatal dispute against an autocracy is less than the chance that it will be attacked: 4.0 per cent versus 4.8 per cent; but this historical difference is too small to be statistically significant.

There are good reasons to prefer non-directed analyses of the onset of disputes to directed tests of conflict initiation. It is sometimes difficult to determine who launched the first attack, and even then the data only indicates which state initiated the use of military force, not whether it was a pre-emptive strike. Democracies must be wise as serpents in dealing with non-democracies. The attack on Pearl Harbor in 1941 and Israel's initiation against the Arab states in 1967 indicate the danger of delay and the advantages of

Alexandre Debs and H. E. Goemans, "Regime Type, the Fate of Leaders, and War," *American Political Science Review*, 104 (August 2010), 430–45.

<sup>43</sup> David Lake, "Powerful Pacifists: Democratic States and War," *American Political Science Review*, 86 (March 1992), 24–37.

<sup>44</sup> D. Scott Bennett and Allan C. Stam, *The Behavioral Origins of War* (Ann Arbor, MI: University of Michigan Press, 2003).



pre-emption, but the war against Saddam Hussein in 2003 shows that democracies can also crusade against authoritarian adversaries, waging preventive war. They may even “Bushwhack” the democratic peace, citing the greater peacefulness of democracies as a rationale for aggression.<sup>45</sup> Democracies are not always as peaceful as doves.

Perhaps autocracies and democracies are prone to fight because democracies model good government, threatening the positions of autocratic rulers. Future tests utilizing indicators of countries’ commitments to human rights can shed light on this question. Beth Simmons has shown that international treaties matter most for states of mixed political characteristics.<sup>46</sup> Democracies guarantee human rights, and autocracies do not; international commitments are unnecessary in the first case, and ineffective in the second. Human rights agreements have their greatest influence in regimes with a mixture of autocratic and democratic traits: citizens in such countries that have ratified international accords regarding torture, the rights of women, etc. enjoy greater protection than citizens living under mixed regimes that have not. Do countries with human rights commitments, as well as democracies, threaten autocratic states? If mixed regimes committed to human rights are also frequently involved in militarized disputes with autocracies and are at peace with democracies, it would clarify why autocracies and democracies frequently fight, and why relations between democracies are remarkably peaceful. It would indicate that a separate peace is possible among democracies because they share many values and good governance is not threatening.

*Are new democracies prone to violence?* Democratization in Eastern Europe and the former Soviet Union at the end of the Cold War led some to fear a wave of international conflict fueled by domestic instability. While acknowledging that a separate peace exists among established democracies, Edward Mansfield and Jack Snyder warned that leaders in new democracies might use force for diversionary purposes. Dramatic changes in government often occur in tumultuous times, which might encourage newly democratic leaders to divert attention from domestic problems by initiating conflict abroad. Perhaps demagogues can rally support for aggression because jingoism is more effective when the populace is politically inexperienced and democratic institutions undeveloped. Still, it is not obvious that new democracies should be prone to fight. They may instead be cautious because they are weak politically. Analysts of American foreign policy usually argue that popular support increases a

<sup>45</sup> Bruce Russett, “Bushwhacking the Democratic Peace,” *International Studies Perspectives*, 6 (2005), 395–408.

<sup>46</sup> Beth A. Simmons, *Mobilizing for Human Rights: International Law in Domestic Politics* (Cambridge: Cambridge University Press, 2009).

president's freedom of action.<sup>47</sup> In this view, democratic leaders are more likely to use force when they are popular, rather than using force to become popular.

Mansfield and Snyder's argument is best assessed with directed dyads. To determine if new democracies are prone to violence, I estimated the probability that a country would initiate a fatal dispute within five years of becoming democratic. The results indicate that a new democracy is more likely than an older one to use military force against an autocracy; the probability of initiating a fatal dispute is 4.6 per cent versus 4.1 per cent. This is virtually identical to the risk that an autocracy will initiate a fatal dispute against a democracy (4.7 per cent). More surprisingly, the democratic peace is attenuated. The probability that a new democracy will use force against another democracy is 4.0 per cent, far above the risk that an established democracy will do so (0.8 per cent); but this finding rests on only seven cases; and five of these occurred within two years of the democratic transition, suggesting that any danger associated with democratization is short-lived.<sup>48</sup> This was confirmed in an additional test incorporating a count of the years the focal state had been democratic. The longevity of democracy in this test was not significantly related to the risk a democracy would initiate conflict.<sup>49</sup> Thus, the democratic peace quickly becomes established.<sup>50</sup> Accordingly, we should not hesitate to promote democracy abroad.

## Conclusion

Twenty years ago research on the causes of war was dominated by realists. Kenneth Waltz and others emphasized the influence of the international system on national behavior and worked in the humanistic tradition, artfully blending political theory and contemporary history. Debate was

<sup>47</sup> Alexander L. George, "Comparisons and Lessons," in Alexander L. George, David K. Hall, and William E. Simons (eds.), *The Limits of Coercive Diplomacy* (Boston: Little, Brown, 2001); Barry Blechman and Stephen Kaplan with others, *Force Without War* (Washington, DC: Brookings, 1978).

<sup>48</sup> The initiations are Syria → Israel 1955, Pakistan → India 1958, Turkey → Cyprus 1974, Peru → Ecuador 1981, Peru → Ecuador 1984, Turkey → Greece 1986, and Niger → Mali 1993. Interestingly, none involves a former republic of Yugoslavia. The Balkan conflicts of the 1990s are not inconstant with the democratic peace.

<sup>49</sup> Young democracies are more susceptible to being targeted. Alastair Smith, "Diversionary Foreign Policy in Democratic Systems," *International Studies Quarterly*, 40 (March 1996), 133–54.

<sup>50</sup> Bennett and Stam, *The Behavioral Origins of War*, and David L. Rousseau, *Democracy and War: Institutions, Norms, and the Evolution of International Conflict* (Stanford, CA: Stanford University Press, 2005) also report tests with directed dyads that call into question Mansfield and Snyder's theory. See also Vipin Narang and Rebecca M. Nelson, "Who are these Belligerent Democratizers? Reassessing the Impact of Democratization on War," *International Organization*, 63 (April 2009), 357–79.

lively, but inconclusive. Realists could not then, and do not now, agree on fundamentals: What is power, and how do states get it? Does a balance of power or preponderance increase the prospects for peace? Today, liberal rather than realist theories predominate. Immanuel Kant, Adam Smith, and other classical liberals believed that democracy, free markets, and international commerce would produce not only freedom and prosperity, but peace. Analyses of the behavior of over 12,000 pairs of states during the period 1885–2001, using a liberal–realist model, corroborate this view. Given the prospects for globalization and the continuing spread of liberal institutions, the prognosis for world politics in the twenty-first century is good.

The statistical results reported here indicate that a world of democracies would be remarkably peaceful. The annual risk of a fatal dispute for two hypothetical states that are large, geographically proximate, non-allies—one a democracy, and the other an autocracy—with no trade, is 10.5 per cent. The liberal–realist model predicts that, if both states are democratic, the risk of conflict drops by 83 per cent to 1.8 per cent, *ceteris paribus*. Making both states autocratic reduces the risk of war to 5.0 per cent. Authoritarian countries have historically been more likely to initiate force against their democratic rivals, but the difference is not large enough to be statistically significant.

Economic interdependence and the wealth of nations also beneficially affect the prospects for peace. Economically developed countries are less likely to fight, though the effect is smaller than the benefit of democratization. Raising two states from the 10th to the 90th percentile in real gross domestic product per capita reduces the annual risk of a fatal dispute by 63 per cent, versus an 81 per cent reduction if both states are made democratic. When the effects of regime type, development, and interdependence are simultaneously estimated, trade has the largest effect: increasing the trade-to-GDP ratio from the 10th to the 90th percentile makes a fatal dispute 85 per cent less likely. Wealthy, interdependent democracies enjoy a resilient security community.<sup>51</sup>

The likelihood of armed interstate conflict is also affected by the size and military capabilities of countries, as realists suggest, though an alliance has little effect. A preponderance of power, not a balance, raises the prospects for peace; but, surprisingly, the liberal variables are just as influential and much more amenable to manipulation. No state can increase its population, industry, or military from the 10th to the 90th percentile relative to all other states. Certainly, all cannot do so simultaneously. But countries can become democratic, institute economic reforms, or remove barriers to trade relatively quickly—actions in themselves desirable. Nor does the pacifying effect of

<sup>51</sup> Karl W. Deutsch et al., *Political Community and the North Atlantic Area; International Organization in the Light of Historical Experience* (Princeton, NJ: Princeton University Press, 1957).

preponderant bilateral power provide a path to world peace. It is impossible to “scale up.” With any mixture of large and small countries, countries of similar size—absent the liberal effects—will fight. Nor are hopes for peace through the influence of a hegemon supported in social scientific tests. The importance (or danger) of *pax Britannica* or *Americana* is generally exaggerated.<sup>52</sup> Thus, realists can counsel little more than an acceptance of fate.

The implications of these systematic, quantitative analyses for public policy seem clear. To promote world peace we should encourage democratization and liberal economic reforms by peaceful means. Attempting to impose democracy and capitalism by force is fraught with practical as well as moral danger, as systematic analyses and current events in Iraq and Afghanistan indicate.<sup>53</sup> The best advice today seems much the same that George Kennan offered in 1946 when the West faced the Soviet threat.<sup>54</sup> We must be prepared to defend ourselves, and to contain those who would do us harm, while demonstrating the superiority of liberal institutions and encouraging reformist movements abroad. The better alternative to regime change by force is democracy by example, and the extension of peaceful incentives for change.<sup>55</sup>

Future social scientific research should clarify the reasons for the democratic peace. Why wealth and commerce are beneficial seems evident, a consequence of economic self-interest; but there is no consensus on why democracy matters. Theories emphasizing institutional constraints, nonviolent norms, or signaling predict that democracies will not only avoid war with one another, but also fight less with autocracies. In fact, democracies and autocracies are prone to violence. Democracies may enjoy a separate peace because their leaders see one another as legitimate and voters are unlikely to support the use of force.<sup>56</sup> They also have less to fight about because they generally agree on political and economic fundamentals. Autocrats, on the other hand, have good reason to fear. Democracies model good government, the provision of public goods, and respect for human rights, which is apt to foster discontent

<sup>52</sup> John R. Oneal, “Transforming Regional Security through Liberal Reforms,” in T. V. Paul (ed.), *When Regions Transform* (Cambridge: Cambridge University Press, 2012—forthcoming).

<sup>53</sup> On the difficulty of establishing democratic regimes by military intervention, see Russett, “Bushwhacking the Democratic Peace,” and Andrew Enterline and J. Michael Grieg, “Perfect Storms? Political Instability in Imposed Polities and the Futures of Iraq and Afghanistan,” *Journal of Conflict Resolution*, 52 (December 2008), 880–915.

<sup>54</sup> “X” [George F. Kennan], “The Sources of Soviet Conduct,” *Foreign Affairs* (July 1947), 566–82.

<sup>55</sup> Russett, “Bushwhacking the Democratic Peace.”

<sup>56</sup> Nehemiah Geva, Karl R. DeRouen, and Alex Mintz, “The Political Incentive Explanation of ‘Democratic Peace’: Evidence from Experimental Research,” *International Interactions*, 18 (1993), 215–29; Rousseau, *Democracy and War*; and Michael Tomz and Jessica Weeks, “An Experimental Investigation of the Democratic Peace,” available at <[http://falcon.arts.cornell.edu/jlw338/index\\_files/DemPeace.pdf](http://falcon.arts.cornell.edu/jlw338/index_files/DemPeace.pdf)>.

among the citizens in non-democratic societies. This encourages autocratic aggression, but also pre-emptive or preventive wars by democracies. New analyses of the effects of nations' commitments to human rights on the likelihood of military conflict may shed important new light on the foundations of the democratic peace.

# 3

## War, Democracy, and Peace

*John Mueller*

Democracy, a messy gimmick for aggregating (not creating) preferences, has proved to be at least somewhat superior to alternative methods, and has gained wide acceptance. A remarkably simple form of government, democracy can rather easily be established whenever the process remains uninhibited by thugs with guns.

The rise of democracy has been correlated with the growing acceptance of another, essentially unrelated, idea, war aversion, a relationship that has been seized upon by theorists and more recently, politicians, to be a causal one.

Putting theory into practice, leaders in the United States have sought to impose democracy on the Middle East, partly operating under the misguided, if theoretically consistent, belief that this will cause peace to blossom in the area. The consequences have been catastrophic.

### **Democracy and the aggregation of preferences**

Democracy is a device for aggregating and expressing policy preferences. In my view, it is characterized by government that is necessarily and routinely responsive—although this responsiveness is not always even, fair, or equal—and it comes into effect when the people effectively agree not to use violence to overthrow the government, and the government effectively leaves them free to criticize, to pressure, to organize, and to try to overthrow it by any other means.<sup>1</sup>

Unlike authoritarian systems, the political weight of individuals in a democracy is not rigidly predetermined by class, personal loyalties, or ideological

<sup>1</sup> For further development of these ideas, see John Mueller, *Capitalism, Democracy, and Ralph's Pretty Good Grocery* (Princeton, NJ: Princeton University Press, 1999).

test. One is free to try to increase one's political importance by working in politics or by supplying money in appropriate places, or one can reduce it by succumbing to apathy and neglecting even to vote. In practice, then, democracy is a form of government in which the individual is left free to become politically unequal.<sup>2</sup>

The result of all this is that democracy, like life, may often be notably unfair. Some people, because of superior manipulative skills, social position, or sheer luck, will do better under the system than others. Unlike other systems, however, democracy gives to everyone the opportunity, without regard to social status or ideological conviction, to seek to manipulate the system in their favor. However, those who make little effort to do so may well be ignored, or maybe even persecuted by it.

Democracy is, and will always be, distressingly messy, clumsy, and disorderly, and people are permitted loudly and irritatingly to voice opinions that are clearly erroneous and even dangerous. Moreover, decision-making in democracies is often muddled, incoherent, and slow, and the results are sometimes exasperatingly foolish, short-sighted, irrational, and incoherent.<sup>3</sup>

However, everything is relative. Although there have been mistakes and exasperations and sometimes even disasters, it can be plausibly argued that democracies, on the whole, have done *comparatively* rather well at choosing leaders, at managing their affairs, and at correcting their inevitable mistakes.

Democracy is an admirable form of government because it is a governmental form, generally compatible with a vigorous and productive society, that functions rather well when people manage, on average, to be no better than they actually are or are ever likely to be: flawed, grasping, self-centered, prejudiced, and easily distracted. That is, democracy does not require a great deal from people: they do not need to be particularly good or noble, but merely to calculate their own best interests or, if they wish, interests they take to reflect those of the collectivity, and, if so moved, to express them. There are, however, no guarantees anyone will listen.

Although democracy does, by definition, require that opposition and contention and special interest activity be peacefully preserved, and although it may be a (comparatively) desirable gimmick for aggregating policy preferences, it does not create the policy preferences themselves. Thus, democracies variously have banned liquor and allowed it to flow freely; raised taxes to

<sup>2</sup> See also Philippe Schmitter and Terry Lynn Karl, "What Democracy Is . . . and Is Not," *Journal of Democracy*, 2:3 (Summer 1991), 83–4; Robert A. Dahl, *A Preface to Democratic Theory* (Chicago, IL: University of Chicago Press, 1956), chapter 4.

<sup>3</sup> Alexis de Tocqueville, for example, argued in the 1830s that, particularly with respect to foreign policy, democracy "can only with great difficulty regulate the details of an important undertaking, persevere in a fixed design, and work out its execution in spite of serious obstacles. It cannot combine its measures with secrecy or await their consequences with patience": Alexis de Tocqueville, *Democracy in America*, trans. Henry Reeve (New York: Vintage, 1990), 235.

confiscatory levels and lowered them to next to nothing; refused women the right to vote and granted it to them; despoiled the environment and sought to protect it; subsidized certain economic groups and withdrawn subsidies; stifled labor unions and facilitated their creation; banned abortion and permitted and subsidized the operation; tolerated drug use and launched massive “wars” upon the practice; embraced slavery and determinedly sought to eradicate it; persecuted homosexuals and repealed or systematically failed to enforce the laws that did so; seized private property and turned over state assets to the private sector; discriminated against racial groups and given them preferential treatment; banned pornography and allowed it to be distributed freely; and tolerated the organization of peaceful political opposition and voted themselves out of existence by withdrawing the right to do.

Moreover, they have welcomed or committed naked aggression and fought to reverse it; devolved into vicious civil war and avoided it by artful compromise; embraced colonialism and rejected the practice entirely; tolerated and sometimes caused humanitarian disaster in other parts of the world and sought to alleviate it; adopted protectionist economic policies and been free traders; and gone to war with enthusiasm and self-righteousness and sought to outlaw the institution.<sup>4</sup>

## The rise of democracy to the end of the Cold War

It follows from this perspective that no elaborate prerequisites or cultural preparations are necessary for democracy to emerge, and that an agonizing process of “democratization” is not required. That is, democracy is easy to establish and maintain because it is essentially based on giving people the freedom to complain—and, importantly, the freedom to organize with other complainers to attempt to topple or favorably influence the government. Complaining comes easily to most. Thus, as Americans should surely know by now, any dimwit can do democracy.

Democracy’s rise has essentially been the result of a 200-year competition of ideas, not the necessary or incidental consequence of grander changes in social, cultural, economic, or historic patterns. It has triumphed because its ideas, ably executed and skillfully promoted—or marketed—at one point in the world’s history, have increasingly managed to catch on.

It seems unlikely that the rise of democracy was inevitable. If democracy had been badly marketed—if, for example, the British and American

<sup>4</sup> See also Randall L. Schweller, “Correspondence,” *International Security*, 27:1 (Summer 2002), 184; Sebastian Rosato, “The Flawed Logic of Democratic Peace Theory,” *American Political Science Review*, 97:4 (November 2003), 594–6.



democratic experiments had become negative role models by degenerating into the mob violence and expansionary war that characterized France after its putatively democratic revolution of 1789—the world might never have adopted democracy at all, no matter how much economic or social development took place at the same time. On the other hand, since literacy, economic development, and modern communications do not seem to be required for a country to become democratic, the world—or substantial portions of it—could have become democratic centuries earlier if the right people at the right time had gotten the idea, had deftly promoted and market tested it, and been graced by the right kind of luck.

By 1945, modern democracy had been on the market for less than two centuries. During that time it had been suitably tested, refined, and packaged to increase its appeal. It had rebounded from such potentially discrediting calamities as the reign of terror in France and the Civil War in America, and it had seen its comparative appeal and credibility enhanced as it survived two wars in which some of its major competitors had been destroyed.

Despite the successful imposition of democracy upon the losers of the Second World War, and despite other postwar advances, however, democracy didn't look all that well in 1975. But then things changed.<sup>5</sup> The promoters improved neither the product nor the packaging. What changed was the receptivity of the customers: democracy caught on, at least among political elites, as an idea whose time had come.<sup>6</sup> In consequence, between 1975 and the end of the Cold War, democracy burgeoned in the three remaining non-democracies in Europe outside the communist bloc, in Latin America, and in East and Southeast Asia.

### War and the sublime

In his *Critique of Judgment*, written five years before his treatise, *Perpetual Peace*, Immanuel Kant held out war to be a primary instance of the sublime, and sternly declared that “a prolonged peace favors the predominance of a mere commercial spirit, and with it a debasing self-interest, cowardice, and effeminacy, and tends to degrade the character of the nation.”

Kant was hardly unusual. Indeed, until about a hundred years ago, war was widely accepted as a positive thing in that area: as military historian Michael Howard has observed, “before 1914 war was almost universally considered to

<sup>5</sup> Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman, OK: University of Oklahoma Press, 1991).

<sup>6</sup> On elite transformations, see John Higley and Richard Gunther (eds.), *Elites and Democratic Consolidation in Latin America and Southern Europe* (Cambridge: Cambridge University Press, 1992).

be an acceptable, perhaps an inevitable and for many people a desirable way of settling international differences.”<sup>7</sup>

Thus, Alexis de Tocqueville concluded that “war almost always enlarges the mind of a people and raises their character,” and Frederick the Great observed, “War opens the most fruitful field to all virtues, for at every moment constancy, pity, magnanimity, heroism, and mercy shine forth in it.” For some it followed that periodic wars were necessary to cleanse the nation from the decadence of peace. According to Friedrich Nietzsche, “It is mere illusion and pretty sentiment to expect much (even anything at all) from mankind if it forgets how to make war,” and J. A. Cramb, a British professor of history, proclaimed that universal peace would be “a world sunk in bovine content.” In 1871, a French intellectual, Ernest Renan, called war “one of the conditions of progress, the cut of the whip which prevents a country from going to sleep, forcing satisfied mediocrity itself to leave its apathy.” In 1891, novelist Émile Zola found war to be “life itself . . . We must eat and be eaten so that the world might live. It is only warlike nations which have prospered: a nation dies as soon as it disarms.” Or, as Russian composer Igor Stravinsky put it simply, war is “necessary for human progress.”<sup>8</sup>

## Marketing war aversion

Although there have been individual war opponents throughout history, the existence of organized groups devoted to abolishing war from the human condition is quite new. The institution of war came under truly organized and concentrated attack only after 1815, and this peace movement developed real momentum only by the end of the century.

The idea entrepreneurs seeking to change opinion on war stressed various arguments. Some, like the Quakers, opposed war primarily because they found it immoral. Others were primarily impelled by aesthetics: war, they concluded, was repulsive, barbaric, and uncivilized. These protesters were joined by socialists and others who had concluded that war was a capitalistic device in which the working class was used as cannon fodder.

Also important were a number of practical people who had concluded that war and conquest, which they took to be the chief goal of war, were economically counterproductive. One of the most influential proponents of the economic position was an English journalist, Norman Angell. His book, *The Great*

<sup>7</sup> Michael Howard, *The Causes of Wars and Other Essays*, 2nd edition (Cambridge, MA: Harvard University Press, 1984), 9.

<sup>8</sup> For sources and for many other similar quotes, see John Mueller, *Retreat from Doomsday: The Obsolescence of Major War* (New York: Basic Books, 1989), chapter 2. See also Roland N. Stromberg, *Redemption by War: The Intellectuals and 1914* (Lawrence, KS: Regents Press of Kansas, 1982).

*Illusion*, sold over a million copies in at least seventeen languages in the years before the First World War.<sup>9</sup> As if to prove the argument correct, several important businessmen joined the movement. Andrew Carnegie funded an Endowment for International Peace in New York, and a Swede who had become rich by discovering how to handle nitroglycerin without being blown up funded the Nobel Peace Prize to honor people who were trying to discover how the nations of the world could handle their affairs without blowing each other up. Angell helped to crystallize a line of reasoning that has been gaining in acceptability ever since. War is unlikely if countries take prosperity as their chief goal *and* if they come to believe that war is a poor way to achieve that goal.<sup>10</sup>

Peace advocates were a noisy gadfly minority in the years before 1914 as they explored alternatives to war such as arbitration and international law and organization and developed mechanisms, like disarmament, that might reduce its frequency or consequences. Their arguments were inescapable, but for the most part they were rejected and derided by the majority which still held to the traditional view that war was noble, natural, thrilling, progressive, manly, redemptive, and beneficial.

Occasionally the idea surfaced in the years before the First World War that what the peace activists really needed was for war to become much worse. In the early 1890s, Alfred Nobel expressed the hope that “the terrible effects of dynamite would keep men from war,” but concluded to his “utter dismay” that his explosives were too limited “to be efficacious.” He was “pessimistic about mankind” and decided that “the only thing that will ever prevent them from waging war is terror”—perhaps germ warfare could do the trick. Then “all civilized nations will recoil from war in horror.”<sup>11</sup>

## The decline of war to the end of the Cold War

The combatants never got around to using germs in the war that followed, but Nobel’s sardonic wish was largely fulfilled as European attitudes toward war changed profoundly. There is no way to quantify this change except perhaps through a rough sort of content analysis. Before the First World War it was very easy, as suggested above, to find serious writers, analysts, and politicians

<sup>9</sup> Norman Angell, *After All: An Autobiography* (New York: Farrar, Straus and Young, 1951), 145–9; J. D. B. Miller, *Norman Angell and the Futility of War* (New York: St. Martin’s, 1986), 4–8.

<sup>10</sup> See, in particular, Richard Rosecrance, *The Rise of the Trading State: Conquest and Commerce in the Modern World* (New York: Basic Books, 1986). See also Mueller, *Capitalism, Democracy, and Ralph’s Pretty Good Grocery*, chapter 5; John Mueller, “Capitalism, Peace, and the Historical Movement of Ideas,” *International Interactions*, 36 (March 2010), 169–84.

<sup>11</sup> Alfred Nobel, “How Wars Will Come to an End,” *The Forum* (New York), 74:1 (July 1925), 194–8.

in Europe and the United States exalting war as desirable, inevitable, natural, progressive, and necessary. After the war, however, such people become extremely rare, though the excitement of the combat experience continued (and continues) to have its fascination to some.

This abrupt and remarkable change has often been noted by historians and political scientists. In his impressive study of wars since 1400, Evan Luard observes that “the First World War transformed traditional attitudes toward war. For the first time there was an almost universal sense that the deliberate launching of a war could now no longer be justified.” Bernard Brodie points out that “a basic historical change had taken place in the attitudes of the European (and American) peoples toward war.” Arnold Toynbee called it the end of a “span of five thousand years during which war had been one of mankind’s master institutions.”<sup>12</sup>

On evaluation, and in broader historical perspective, it appears that the First World War was not all that unusual in its duration, destructiveness, grimness, political pointlessness, economic consequences, or breadth.<sup>13</sup> In the end, the war seems to have been quite unique in one important respect: it was the first major war in history to have been preceded by substantial, organized antiwar agitation.

Obviously, this change of attitude was not enough to keep developed countries out of all wars altogether. Most disastrously, it did not prevent the war of 1939–45—although the European half of that conflagration may not have been in the cards in any sense and was mostly the product of the machinations of a single man, Adolf Hitler.<sup>14</sup> However, the existence of this war should not be allowed to cloud an appreciation for the shift of opinion that occurred at the time of the First World War, one that was dramatically reinforced by the Second.

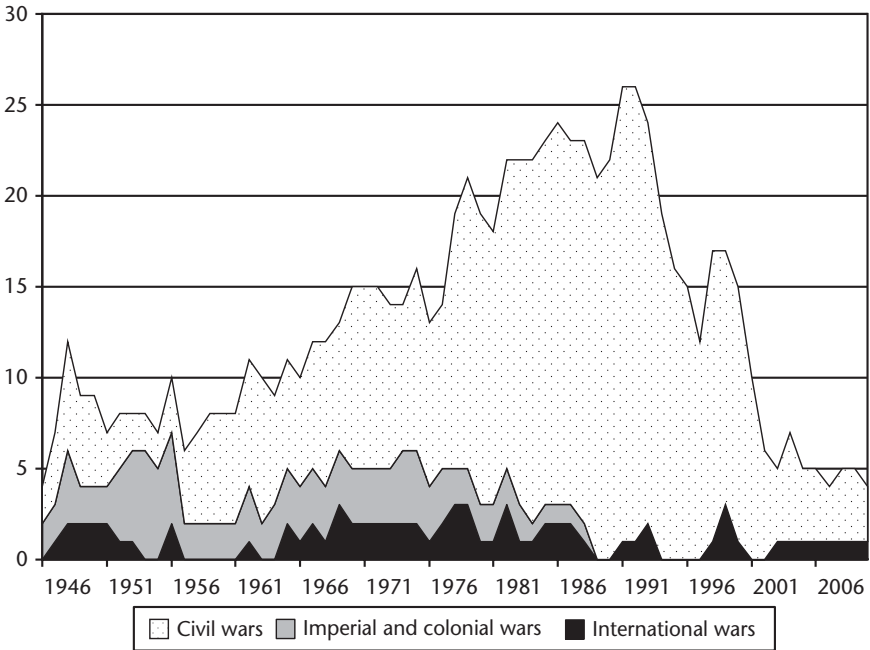
Shattering centuries of bloody practice, developed countries, including those in what was once the world’s most warlike continent, have since 1945 substantially abandoned war as a method for dealing with their disagreements. This is a monumental change, one that has generated the most significant number in the history of warfare: zero (or near-zero): the number of wars that have taken place since 1945 between developed states.

Indeed, as Figure 1 suggests, international war of any kind—not simply wars among developed countries—has become rather rare. This is particularly

<sup>12</sup> Evan Luard, *War in International Society* (New Haven, CT: Yale University Press, 1986), 365; Bernard Brodie, *War and Politics* (New York: Macmillan, 1973), 30; Arnold J. Toynbee, *Experiences* (New York: Oxford University Press, 1969), 214.

<sup>13</sup> John Mueller, *Quiet Cataclysm: Reflections on the Recent Transformation of World Politics* (New York: Harper Collins, 1995), Chapter 9.

<sup>14</sup> For the argument about Hitler, see John Mueller, *The Remnants of War* (Ithaca, NY: Cornell University Press, 2004), chapter 4.



**Figure 1.** Number of ongoing wars by year, 1946–2010

The data is for “wars,” violent armed conflicts which result in at least 1,000 military and civilian battle-related deaths in the year indicated.

Sources: Uppsala Conflict Data Program and correspondence with Kristian Gleditsch.

impressive because the number of entities capable of conducting international war so greatly increased during the period.

Another great, if often undernoted, change during the Cold War was the final demise of the whole idea of empire—previously one of the great epoch-defining constants in human history.<sup>15</sup> Colonialism’s demise has meant, of course, an end to its many attendant wars, and Figure 1 documents that phenomenon. The norm against conquest and its associated institutional structure stress peace, but they are not so much the cause of the desire for peace as its result. That is, the norm was specifically fabricated and developed because war-averse countries, noting that disputes over territory had been a major cause of international war in the past, were seeking to enforce and enshrine the norm. Its existence did not cause them to be war averse, but rather the reverse.

<sup>15</sup> See Neta C. Crawford, *Argument and Change in World Politics: Ethics, Decolonization, and Humanitarian Intervention* (Cambridge: Cambridge University Press, 2002).

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## Democracy's rise and war's decline since the end of the Cold War

The Nobel Institute's research program began in 1991 at around the time of the end of the Cold War.<sup>16</sup> It is probably not a matter of cause and effect, but ever since that time there has been great progress in expanding democracy even as war, including even civil war, has been in pronounced decline.

### *Democracy*

Democracy replaced communism almost overnight and even more smoothly than had monarchy, not only in East Europe after 1989 but also in much of the splintered USSR after 1991. Actually, some of this might have been anticipated: after all, in 1956 Hungary declared it planned instantly to become a multiparty democracy, a scheme that was crushed by Soviet tanks; and in 1968 another glimmer was forcefully suppressed in Czechoslovakia. The 1989 experience suggests that only the tanks were necessarily hampering democratic development, and that most of the countries in Eastern Europe (and probably those on the Baltic Sea) would have been democratic but for the artificial dictates of the occupying forces of the Soviet Union.

In Africa, there has been notable democratic progress in quite a few places. The most spectacular, of course, is South Africa, but there has also been democratic development in Tanzania, Botswana, Malawi, Namibia, Mozambique, Ghana, Benin, Kenya, Zambia, Madagascar, Gambia, Senegal, and Mali.

Just about the only set of countries where democracy has yet to penetrate deeply are the Islamic ones. However, where leaders have allowed elections in the Middle East, as in Algeria and Iran in 1997, the voters displayed considerable ability to differentiate and express their interest even though the choice of candidates and the freedom of speech were limited. And some Muslim states, such as Mali, Turkey, Pakistan, and Qatar have certainly been able to move substantially toward democracy. Most importantly, the world's most populous Muslim country, Indonesia, successfully navigated its way to democracy after 1997. And the popular revolutions waged throughout the Middle East in 2011 suggest further progress is in the offing.

<sup>16</sup> For the argument that the Cold War ended in the spring of 1989, see John Mueller, "What Was the Cold War About? Evidence from Its Ending," *Political Science Quarterly*, 119:4 (Winter 2004–5), 609–31. See also Bruce M. Russett and John R. Oneal, *Triangulating Peace: Democracy, Interdependence, and International Organizations* (New York: Norton, 2001), 32.

### War

It is now routinely recognized that a standard, indeed classic, variety of war—war among developed countries—has become so rare and unlikely that it could well be considered to be obsolescent, if not obsolete. By 2005, historian John Lewis Gaddis was labeling war among major states an “anachronism.”<sup>17</sup>

Outside the developed world, there has been only one war in the last two decades that fits cleanly into the classic model in which two countries have it out over some issue of mutual dispute, in this case territory: the 1998–2000 conflict between Ethiopia and Eritrea.

In addition there have been a few policing wars. Since developed countries came basically to see the world in much the same way at the end of the Cold War, and since there was little or no fear of war between them, they were left free to explore devices for managing the world and particularly for dealing with the two remaining notable sources of artificial or human-made death and destruction: civil conflict and vicious or destructively incompetent domestic governments. Some of these devices are diplomatic, social, or economic, but the judicious application of military force—or something that looks a great deal like war—is also potentially available. There have been military interventions in Panama in 1989, in Kuwait and Iraq in 1991, in Somalia in 1992–3, in Haiti in 1994, in Bosnia in 1995, in Kosovo and East Timor in 1999, in Sierra Leone in 2000, in Afghanistan in 2001, and in Iraq in 2003. Some of these ventures have been sufficiently costly in lives to tally as international wars in Figure 1. Except for the last, however, the developed countries were able to engage in these ventures at remarkably little cost to themselves, particularly in casualties, and, since they were most focused on thuggish regimes or on thug-dominated civil wars, they were generally successful.<sup>18</sup>

However, despite a degree of success, the post-Cold War phenomenon of policing wars, rather tentative at best, seems more likely to wane than to grow. There are several reasons for this, among them a lack of interest, an extremely low tolerance for casualties in military missions that are essentially humanitarian, and an aversion to long-term policing. The experience of the wars in Iraq and, increasingly, Afghanistan (after initial success) are likely to further magnify a reluctance to intervene. The reluctance to intervene directly into the chaos in western Sudan in 2004 or in Libya in 2011 is suggestive of the process.<sup>19</sup>

<sup>17</sup> John Lewis Gaddis, *The Cold War: A New History* (New York: Penguin, 2005), 262. For contrary views, see Samuel P. Huntington, “No Exit: The Errors of Endism,” *National Interest*, 17 (Fall 1989) 3–11; Colin S. Gray, *Another Bloody Century: Future Warfare* (London: Weidenfeld & Nicolson, 2005).

<sup>18</sup> Mueller, *The Remnants of War*, chapters 6–7.

<sup>19</sup> See John Mueller, “The Iraq Syndrome Revisited: U.S. Intervention, From Kosovo to Libya,” *Foreign Affairs* (March 2011).

As Figure 1 vividly demonstrates, civil war has been by far the most common type of war since the Second World War, and much of it is essentially the result of inadequate government.<sup>20</sup> Civil wars are least likely to occur in stable democracies and in stable autocracies—that is, in countries with effective governments and policing forces.<sup>21</sup> They are most common—almost by definition—in what have come to be called “failed states.”

However, as can be seen in Figure 1, many of these wars have exhausted themselves since the end of the Cold War, and new ones have failed to arise to take their place. It is far too early to be certain, but it could be that civil war, following the pattern found with international war in the developed world, is going out of style. One key may have been in the rise of competent governments which have increasingly been able to police domestic conflicts rather than exacerbating them as frequently happened in the past. Certainly the number of first-class tyrannies has diminished greatly in the last decades.

Some argue that peacekeeping efforts by international organizations have often proved effective at keeping the wars from reigniting.<sup>22</sup> International bodies and consortiums of developed countries may not be able to stop a war when the combatants are determined to continue fighting, but they can usefully seize the opportunity to stabilize a shaky peace when the combatants have become exhausted.

There may be another way to look at this. It may be tempting to characterize (or dismiss) the recent remarkable decline in the number of civil wars as documented in Figure 1 as a “blip.” But perhaps the “blip” is in the *rise* in the number of such wars that took place from the 1960s to the early 1990s. Much of this seems to have come from rapid decolonization which led to the creation of a host of countries that were, to put it mildly, ill-governed and therefore prime candidates to become civil war arenas. If that is the case, it is

<sup>20</sup> For an extended development of this point, see Mueller, *The Remnants of War*, chapter 9.

<sup>21</sup> Håvard Hegre, Tanja Ellingsen, Scott Gates, and Nils Petter Gleditsch, “Toward a Democratic Civil Peace? Democracy, Political Change, and Civil War, 1816–1992,” *American Political Science Review*, 95:1 (March 2001), 33–48. On this point, see also Russett and Oneal, *Triangulating Peace*, 70; Monty G. Marshall and Ted Robert Gurr, *Peace and Conflict, 2003: A Global Survey of Armed Conflicts, Self-Determination Movements, and Democracy* (College Park, MD: Center for International Development and Conflict Management, University of Maryland, 2003), 19–20, 25; James D. Fearon and David D. Laitin, “Ethnicity, Insurgency, and Civil War,” *American Political Science Review*, 97:1 (February 2003), 85, 88; James D. Fearon and David D. Laitin, “Neotrusteeship and the Problem of Weak States,” *International Security*, 28:4 (Spring 2004), 21–2; Michael W. Doyle and Nicholas Sambanis, *Making War and Building Peace: United Nations Peace Operations* (Princeton, NJ: Princeton University Press, 2006), 19, 35.

<sup>22</sup> Fearon and Laitin, “Neotrusteeship and the Problem of Weak States”; Andrew Mack, *Human Security Report 2005* (New York: Oxford University Press, 2005); Doyle and Sambanis, *Making War and Building Peace*; Virginia Page Fortna, *Does Peacekeeping Work? Shaping Belligerents’ Choices After Civil Wars* (Princeton, NJ: Princeton University Press, 2008); Joshua S. Goldstein, *Winning the War on War: The Decline of Armed Conflict Worldwide* (New York: Dutton, 2011).



the increase of civil war that is the historical peculiarity, and it is one based substantially on a phenomenon that cannot be repeated.

War, as conventionally, even classically, understood then, has become a remarkably rare phenomenon. Indeed, if civil war becomes as unfashionable as the international variety, war could cease to exist as a substantial phenomenon.

At base, it may turn out that war is merely an idea, an institution that has been grafted onto human existence, rather than a trick of fate, a thunderbolt from hell, a natural calamity, a systemic necessity, or a desperate plot contrivance dreamed up by some sadistic puppeteer on high. And the institution may be in pronounced decline as attitudes toward it have changed, roughly following the pattern by which the ancient and once formidable institution of formal slavery became discredited and then obsolete. All this could conceivably come about without changing human nature; without creating an effective world government or system of international law; without modifying the nature of the state or the nation state; without expanding international trade, interdependence, or communication; without fabricating an effective moral or practical equivalent; without enveloping the earth in democracy or prosperity; without devising ingenious agreements to restrict arms or the arms industry; without reducing the world's considerable store of hate, selfishness, nationalism, and racism; without increasing the amount of love, justice, or inner peace in the world; without altering the international system; without establishing security communities; without improving the competence of political leaders; and without doing anything whatever about nuclear weapons.<sup>23</sup>

### Correlating democracy's rise and war's decline

When ideas have filtered throughout the world in the last few hundred years, they have tended to do so in one direction: there has been, for better or worse, a long and fairly steady process of what is often called "Westernization." Like many important ideas over the last few centuries, the notion that war is

<sup>23</sup> However, a counterfactual argument remains popular contending that it was *only* the existence of nuclear weapons that prevented major war. If, counter to fact, nuclear weapons had not been invented, the argument runs, the people running world affairs after 1945 were so incautious, so casual about the loss of human life, so conflagration-prone, so masochistic, so doom-eager, so incompetent, and/or simply so stupid, that they could not have helped plunging or being swept into a major war if the worst they could have anticipated from the exercise was merely the kind of catastrophic destruction they had so recently experienced in the Second World War: it was *only* the visions of mushroom clouds that kept them from plunging into a massive, albeit non-nuclear, catastrophe. For a critique of this argument, see John Mueller, *Atomic Obsession: Nuclear Alarmism from Hiroshima to Al Qaeda* (New York: Oxford University Press, 2010), Chapter 3.

undesirable and inefficacious, and the idea that democracy is a good form of government, have largely followed the same trajectory: they were accepted first in northern Europe and North America, and then gradually, with a number of traumatic setbacks, became more accepted elsewhere. In this view, the rise of democracy is not only associated with the rise of war aversion, but also with the decline of slavery, religion, mercantilism, capital punishment, and cigarette smoking, and with the growing acceptance of capitalism, scientific methodology, international trade, women's rights, environmentalism, abortion, and rock music.<sup>24</sup>

In the last couple of decades there has been a burgeoning and intriguing discussion about a possible connection between democracy and war aversion.<sup>25</sup> Most notable has been the empirical observation that democracies have never, or almost never, gotten into a war with each other. This relationship seems more correlative, or coincidental, than causal, however.

A necessary, logical connection between democracy and war aversion is far from clear. Thus, it is often asserted that democracies are peaceful because they apply their domestic penchant for peaceful compromise (something, obviously, that savagely broke down in the United States in 1861) to the international arena, or because the structure of democracy requires decision makers to obtain domestic approval.<sup>26</sup> But authoritarian regimes must also necessarily develop skills at compromise in order to survive, and they all have domestic constituencies that must be serviced such as the church, the landed gentry, potential urban rioters, the nomenclatura, the aristocracy, party members, the military, prominent business interests, the police or secret police, lenders of money to the exchequer, potential rivals for the throne, the sullen peasantry.<sup>27</sup>

Since the First World War, the democracies in the developed world have been in the lead in rejecting war as a methodology. However, developed democracies have not necessarily adopted a pacifist approach, particularly

<sup>24</sup> On this process, see Mueller, *Quiet Cataclysm*, 181–2; *Capitalism, Democracy, and Ralph's Pretty Good Grocery*, chapter 8; Ethan A. Nadelmann, "Global Prohibition Regimes: The Evolution of Norms in International Society," *International Organization*, 44:4 (Autumn 1990), 484; Steven Pinker, *The Better Angels of Our Nature: Why Violence Has Declined* (New York: Viking, 2011). Women's suffrage was granted at about the same time as war aversion triumphed in the developed world (compare Russett and Oneal, *Triangulating Peace*, 99). However, to lack the vote does not mean a group fails to have political influence: see Mueller, *Capitalism, Democracy, and Ralph's Pretty Good Grocery*, 142.

<sup>25</sup> See, for example, Michael W. Doyle, "Liberalism and World Politics," *American Political Science Review*, 80:4 (December 1986), 1151–69; Bruce Russett, *Controlling the Sword: The Democratic Governance of National Security* (Cambridge, MA: Harvard University Press, 1990); Russett and Oneal, *Triangulating Peace*.

<sup>26</sup> For a discussion, see Russett and Oneal, *Triangulating Peace*, 53–8.

<sup>27</sup> See also Rosato, "The Flawed Logic of Democratic Peace Theory," 593–4, 596–7; Charles A. Kupchan, *How Enemies Become Friends: The Sources of Stable Peace* (Princeton, NJ: Princeton University Press, 2010).

after a version of that approach failed so spectacularly to prevent the Second World War from being forced upon them. In addition, they have been willing actively to subvert or to threaten and sometimes apply military force when threats appeared to loom during the Cold War contest. At times this approach was used even against regimes that had some democratic credentials such as in Iran in 1953, Guatemala in 1954, Chile in 1973, and perhaps Nicaragua in the 1980s.<sup>28</sup> And they have also sometimes used military force in their intermittent efforts to police the post-Cold War world.<sup>29</sup>

It is true that they have warred little or not at all against each other—and, since there were few democracies outside the developed world until the last quarter of the twentieth century, it is this statistical regularity that most prominently informs the supposed connection between democracy and peace. However, the developed democracies hardly needed democracy to decide that war among them was a bad idea.<sup>30</sup> In addition, they also adopted a live-and-let-live approach toward a huge number of dictatorships and other non-democracies that did not seem threatening during the Cold War.

Moreover, the supposed penchant for peaceful compromise of democracies has not always served them well when confronted with civil war situations, particularly ones involving secessionist demands as in democratic Switzerland in 1847 and in democratic America in 1861. Democracies have also fought a considerable number of wars to retain colonial possessions and these, as James Fearon and David Laitin suggest, can in many respects be considered essentially to be civil wars.<sup>31</sup> To be sure, democracies have often managed to deal with colonial problems peacefully, mostly by letting the colonies go. But authoritarian governments have also done so: the Soviet Union, for example, withdrew from its empire in Eastern Europe and then dissolved itself, all almost entirely without violence.

Thus, while democracy and war aversion have often been promoted by the same advocates, the relationship does not seem to be a causal one. And when the two trends are substantially out of step today, democracies will fight one another. Various warlike sentiments could be found in the elected parliaments in the former Yugoslavia in the early 1990s, or in India and then-democratic Pakistan when these two countries engaged in armed conflict in 1999. If Argentina had been a democracy in 1982 when it seized the Falkland Islands (a very popular undertaking), it is unlikely that British opposition to the venture would have been much less severe. Suggestive also are the wars waged by democratic Israel upon democratic Lebanon in 2006, and upon

<sup>28</sup> Rosato, "The Flawed Logic of Democratic Peace Theory," 590–1.

<sup>29</sup> Mueller, *The Remnants of War*, chapters 7–8.

<sup>30</sup> Nor is it likely they needed "American preponderance" to do so, as Rosato suggests ("The Flawed Logic of Democratic Peace Theory," 599–600).

<sup>31</sup> Fearon and Laitin, "Ethnicity, Insurgency, and Civil War," 76.

democratic Gaza in 2009. “The important consideration,” observes Miriam Fendius Elman, does not seem to be “whether a country is democratic or not, but whether its ruling coalition is committed to peaceful methods of conflict resolution.” As she further points out, the countries of Latin America and most of Africa have engaged in very few international wars even without the benefit of being democratic.<sup>32</sup>

And, of course, the long peace enjoyed by developed countries since the Second World War includes not only the one that has prevailed between democracies, but also the even more important one between the authoritarian east and the democratic west. Even if there is some connection, whether causal or atmospheric, between democracy and peace, it cannot explain this latter phenomenon.

### Correlation is taken to be cause: the Iraq War

If correlation—or coincidence—is taken to be cause, it follows that peace will envelop the earth right after democracy does, and it further follows that, for those who value peace, the promotion of democracy, by force or otherwise, should be a central mission. In this spirit the United States has repeatedly and often evangelically urged democracy upon its neighbors to the South, and has often been quite prepared to use money and sometimes military force to coat the philosophic pill. Those efforts seem rarely to have made much lasting difference.<sup>33</sup> Latin America’s remarkable move toward democracy after 1975 was accomplished almost entirely by the people there themselves when market conditions improved.

Critics have argued that democracy can’t be spread at the point of a gun, but these cases suggest that it sometimes can be. Even Bruce Russett, a prominent democratic-peace analyst, eventually, if rather reluctantly, concedes the possibility.<sup>34</sup> That is, when conditions are propitious, force may work. The times seem to have been right at the end of the Second World War in some places when the victorious democracies set about foisting their form of government upon the portion of Germany they occupied and upon Italy, Austria, and

<sup>32</sup> Miriam Fendius Elman (ed.), *Paths to Peace: Is Democracy the Answer?* (Cambridge, MA: MIT Press, 1997), 484, 496.

<sup>33</sup> Laurence Whitehead, “International Aspects of Democratization,” in Guillermo O’Donnell, Philippe C. Schmitter, and Laurence Whitehead (eds.), *Transitions from Authoritarian Rule: Comparative Perspectives* (Baltimore, MD: Johns Hopkins University Press, 1986), 6.

<sup>34</sup> Bruce Russett, “Bushwhacking the Democratic Peace,” *International Studies Perspectives*, 6:4 (November 2005), 398–400. See also Mark Peceny and Jeffrey Pickering, “Can Liberal Intervention Build Liberal Democracy?” in T. David Mason and James D. Meernik (eds.) *Conflict Prevention and Peacebuilding in Post-War Societies: Sustaining the Peace* (London and New York: Routledge, 2006), 130–48.

Japan. Similarly, when Panama's Manuel Noriega stole an election that went against him in 1989 in the midst of Latin America's transition, he was deposed by an American military invasion and, liberated from this anachronistic tyrant, the country became a democracy. The United States also successfully imposed, or reimposed, democracy on Grenada in 1983. However, a somewhat similar process in Haiti in the 1990s met with far less success.

If democracy is so wonderful, and if in addition it inevitably brings peace, then forcefully jamming it down the throats of the decreasing number of non-democratic countries in the world must be all to the good. In an address shortly before he launched into the Iraq War, George W. Bush confidently proclaimed, "The world has a clear interest in the spread of democratic values, because stable and free nations do not breed the ideologies of murder. They encourage the peaceful pursuit of a better life."<sup>35</sup>

However, Bush and some of his supporters—particularly those in the neo-Conservative camp—extrapolated to develop an even more extravagant mystique. Not only would the invasion crisply bring viable democracy to Iraq, but success there would have a domino effect: democracy (and therefore peace) would eventually spread from its Baghdad bastion to envelop the Middle East.

Moreover, after Iraq was forced to enter the democratic (and hence peaceful and nice-thinking) camp, military force would be deftly applied as necessary to speed up the domino-toppling process wherever necessary in the area. Thus war advocates Lawrence Kaplan and William Kristol apply due reverence to the sanctified correlation—"democracies rarely, if ever, wage war against one another"—and then extrapolate extravagantly to conclude that "The more democratic the world becomes, the more likely it is to be congenial to America." And war architect Paul Wolfowitz also seems to have believed that the war would become an essential stage on the march toward freedom and democracy.<sup>36</sup>

With that, argues Russett, democratic peace theory became "Bushwhacked." It should be noted, however, that, although Bush and at least some of the neocons may actually have believed their pre-war fantasies about the blessings that imposed democracy would in turn impose on the Middle East, the democracy argument rose in significance, notes Russett, only after those security arguments for going to war proved to be empty.<sup>37</sup>

<sup>35</sup> Quoted, David Frum and Richard Perle, *An End to Evil: How to Win the War on Terror* (New York: Random House, 2003), 158. See Lawrence F. Kaplan and William Kristol, *The War Over Iraq: Saddam's Tyranny and America's Mission* (San Francisco, CA: Encounter Books, 2003), 98–9; Frum and Perle, *An End to Evil*, 163.

<sup>36</sup> Kaplan and Kristol, *The War Over Iraq*, 104–5. Wolfowitz: Bob Woodward, *Plan of Attack* (New York: Simon & Schuster, 2004), 428.

<sup>37</sup> Russett, "Bushwhacking the Democratic Peace," 396.

Moreover, as suggested earlier and as peace builders in Bosnia have repeatedly discovered, elections lead to the rise of people who can best engage and manipulate the political process to attract voters, and the winners are not necessarily the ones preferred by intervening foreign well-wishers as in Iraq in 2005 and in Palestine in 2006.<sup>38</sup>

This is not to argue, however, that efforts to force democracy on Iraq have necessarily failed. Iraq is acting very much like a standard democracy, albeit one with an exceptionally high crime and violence rate. Politicians are squabbling continuously, interest groups are seeking to loot the public treasury as best they can, people are rather freely expressing themselves even where this may entail the airing of ethnic and racial hatreds (those who use violence to do so are not democratic, however), and politicians are seeking to manipulate the system to advantage their supporters. However, those elected will remain loyal to the wishes of their constituencies and that may well mean intensified hostility to Israel and ungrateful animosity toward Iraq's naive, clumsy, and destructive democratic liberators.

<sup>38</sup> F. Gregory Gause III, "Beware of What You Wish For," *Foreign Affairs* (February 2006).

# 4

## Victory

### The “State,” the “West,” and the Cold War

*Melvyn P. Leffler\**

In our ongoing debates about the role of government in contemporary economic and social life, we are tempted to draw lessons from the Cold War. Taking office in 1989, George H. W. Bush declared, “We know what works. Freedom works. We know what’s right: freedom is right. We know how to secure a more just and prosperous life for man on earth: through free markets, free elections, and the exercise of free will—unhampered by the state.” A little more than a decade later, in the turbulent aftermath of the 9/11 attacks, and in the midst of launching a war on terror, his son, George W. Bush, proclaimed, “The great struggles of the twentieth century between liberty and totalitarianism ended with a decisive victory for the forces of freedom—and a single sustainable model for national success: freedom, democracy, and free enterprise.”<sup>1</sup>

These extrapolations are profoundly mistaken. It is wrong to celebrate the triumph of capitalism over communism in the Cold War as a simple victory of free markets and free men over totalitarian government and intrusive planning. As we re-examine the virtues of free markets and private enterprise, we must not forget the role of the “state”—the importance of governmental capacity—in creating the conditions for victory in the Cold War. In the “West,” broadly defined, governmental policies modulated and stabilized the business cycle, nurtured economic growth, provided minimum social

\* I am extraordinarily indebted to Stephen Macekura for his research and insights on this chapter.

<sup>1</sup> George H. W. Bush, January 20, 1989 <<http://www.presidency.ucsb.edu/ws/index.php?pid=16610#axzz1TFP3zpET>>; George W. Bush, Introduction to the National Security Strategy Statement, September 17, 2002 <<http://georgewbush-whitehouse.archives.gov/nsc/nss/2002/nssintro.html>>.

provision, stimulated innovation, empowered civil society, enhanced living standards, and made consumption the benchmark of modern civilization. The state complemented markets, structured markets, liberated markets, and helped allay the hardships caused by markets.

It is easy to forget what an achievement this was. After two world wars, a great depression, and mass extermination, liberal capitalism was in disrepute. The magic of the market was not part of people's vocabulary after the despair of the depression and the misery of war. In 1944, in *The Road to Serfdom*, Friedrich von Hayek lamented, "If we take the people whose views influence developments, they are now in the democracies all socialists. Scarcely anybody doubts that we must move toward socialism." A year later, A. J. P. Taylor, the renowned British historian, asserted, "Nobody in Europe believes in the American way of life—that is, in private enterprise." And even a decade later, Walter Lippmann wrote in *The Public Philosophy*, "We are living in a time of massive popular counter-revolution against liberal democracy. It is a reaction to the failure of the West to cope with the miseries and anxieties of the twentieth century."<sup>2</sup>

US officials were well aware that depression, war, holocaust, and mass expulsions created unprecedented challenges to democratic capitalism. In April 1945, Assistant Secretary of War John McCloy went to Europe and reported to his boss, Henry Stimson, that "There is a complete economic, social and political collapse going on in Central Europe, the extent of which is unparalleled in history." Stimson, in turn, informed President Harry S. Truman that "pestilence and famine" would afflict Europe during the next winter and that they were likely to be followed by "political revolution and communist infiltration."<sup>3</sup>

Everywhere in Europe, communist membership was soaring, the role of the state was mounting, experiments with "nationalization" were spreading, and the enchantment with "planning" was growing. The war, if not the depression, had accustomed people to new roles for the government: if the state had mobilized to kill and destroy, why could it not be administered for the furtherance of justice, the promotion of equality, and the nurturing of individual opportunity? In France, Italy, and Finland, the Communist Party vote, by 1946, was 20 per cent or more; in Belgium, Denmark, Norway, Holland, and Sweden, it was close to 10 per cent.<sup>4</sup> Elsewhere around the globe,

<sup>2</sup> Quoted in Mark Mazower, *Dark Continent: Europe's Twentieth Century* (New York: Vintage, 1998), 203; A. J. P. Taylor, "The European Revolution," *Listener*, 34 (November 22, 1945), 576. Also see Tony Judt, *Ill Fares the Land* (New York: Penguin, 2010), 55; Walter Lippmann, *Essays in the Public Philosophy* (Boston, MA: Little, Brown, 1955), 63.

<sup>3</sup> Quoted in Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford, CA: Stanford University Press, 1993), 35–6, 63–4.

<sup>4</sup> Donald Sassoon, *One Hundred Years of Socialism: The West European Left in the Twentieth Century* (London: I. B. Tauris, 1996), 117–66; Adam Westoby, *Communism Since World War II* (New York: St. Martin's Press, 1981), 14–15; Jytte Klausen, *War and Welfare: Europe and the United States, 1945 to*



revolutionary nationalist movements were forming. They clamored for independence and sought transformative changes in political economy, national identity, and race relations. Planned economies, many revolutionary nationalist leaders believed, might propel their emerging nations into modernity and might earn their people the dignity they merited in the international arena.<sup>5</sup>

President Franklin D. Roosevelt, governing in a country spared of wartime devastation but scarred by years of depression and rife with fears of looming unemployment, grasped the challenges ahead. He understood that the American “state” had to act boldly at home so that the United States could exert leadership abroad. In his “State of the Union” message of January 1944, he harped back to the themes of the Atlantic Charter and emphasized, “Individual freedom cannot exist without economic security and independence . . . People who are hungry, people who are out of a job are the stuff of which dictatorships are made.” He then set forth an economic bill of rights: the right to a useful and remunerative job; the right to earn enough for adequate food, clothing, and recreation; the rights of farmers to sell at a fair price and business people to compete on fair terms; the right to decent housing; the right to medical care; the right to a good education; the right to be protected and to escape the fears of old age, sickness, disability, and unemployment. “All of these rights,” Roosevelt concluded, “spell security.”<sup>6</sup>

To underscore the importance of this mission to reshape America, he repeated these rights in his last “State of the Union” message a year later. A liberal international economy, he explained, required a strong state at home. “An enduring peace,” he admonished, “cannot be achieved without a strong America—strong in the social and economic sense as well as in the military sense . . . The Federal Government must see to it that these rights become realities—with the help of States, municipalities, business, labor, and agriculture.” He then mapped out how government must buttress private sector efforts to sustain purchasing power, stimulate business, insure liquidity, boost productivity, develop the nation’s abundant natural resources, enhance aviation and transportation, and expand social security, health, and education programs.<sup>7</sup>

*the Present* (New York: St. Martin’s Press, 1998), 1–18; Stephen Padgett and William E. Paterson, *A History of Social Democracy* (London: Longman, 1991), 12–34.

<sup>5</sup> David Priestland, *The Red Flag: A History of Communism* (New York: Grove Press, 2009), xxiv; Robert Service, *Comrades: A History of World Communism* (Cambridge, MA: Harvard University Press, 2007), 280–2; Jeffrey A. Frieden, *Global Capitalism: Its Fall and Rise in the Twentieth Century* (New York: W. W. Norton, 2006), 271–7, 301–38; Archie Brown, *The Rise and Fall of Communism* (New York: Harper Collins, 2009), 313–67.

<sup>6</sup> Franklin D. Roosevelt, State of the Union Message to Congress, January 11, 1944 <<http://www.presidency.ucsb.edu/ws/index.php?pid=16518#axzz1LISzVaUA>>.

<sup>7</sup> Franklin D. Roosevelt, State of the Union Message to Congress, January 6, 1945 <<http://www.presidency.ucsb.edu/ws/index.php?pid=16595#axzz1LISzVaUA>>.

Roosevelt was not naïve about the difficulties that lay ahead. The war, he knew, would bequeath fundamental problems for the world economy and the national economy. He, therefore, supported the work of his Treasury and State Department subordinates to create the Bretton Wood institutions of the World Bank and the International Monetary Fund as well as the United Nations. The preamble of the UN charter, in fact, captured the aspirations and yearnings of peoples everywhere to eliminate the scourge of war and to promote social and economic progress “in larger freedom.” In Article 55 of the UN charter, the signatories specifically obligated themselves to promote “higher standards of living, full employment, and conditions of economic and social progress and development.”<sup>8</sup> Three years later, in the UN Declaration of Human Rights, these universal standards were reiterated: “Everyone . . . has the right to social security”; “Everyone has the right to work”; “Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing, and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, [and] old age . . .”<sup>9</sup>

These commitments were the legacy of the Great Depression and the Second World War. These commitments were the legacy of nineteenth-century industrialization and of the turmoil wrought by business fluctuations in free market economies. These commitments were the promises of democratic statesmen to their citizenry for enduring the hardships and misery of two world wars and a great depression.

Yet, in the literature on the international relations and political economy of the Cold War, these commitments receive scant attention. There is much stress on how the United States helped to forge new multinational organizations like the World Bank and the IMF, formulated new initiatives like the Truman Doctrine and the Marshall Plan, practiced containment, embraced the politics of productivity, and struggled tenaciously to curtail the enlargement of the state, to open markets, to combat autarky, and to thwart the drive to nationalization.<sup>10</sup> These themes deserve the importance that has been

<sup>8</sup> For the charter of the United Nations, see <<http://www.un.org/en/documents/charter/index.shtml>>.

<sup>9</sup> “The Universal Declaration of Human Rights” <<http://www.un.org/en/documents/udhr/index.shtml>>.

<sup>10</sup> For a small sampling of the literature, see Lloyd C. Gardner, *Economic Aspects of New Deal Diplomacy* (Madison, WI: University of Wisconsin Press, 1964); Gabriel Kolko, *Politics of War: The World and United States Foreign Policy, 1943–45* (New York: Random House, 1968); Gabriel Kolko and Joyce Kolko, *The Limits of Power: The World and United States Foreign Policy, 1945–1954* (New York: Harper and Row, 1972); Fred L. Block, *The Origins of International Economic Disorder: A Study of United States International Monetary Policy from World War II to the Present* (Berkeley, CA: University of California Press, 1977); Thomas G. Paterson, *Soviet–American Confrontation: Postwar Reconstruction and the Origins of the Cold War* (Baltimore, MD: Johns Hopkins University Press, 1973); Michael J. Hogan, *The Marshall Plan: America, Britain, and the Reconstruction of Western*

given to them. As we have illuminated these matters, however, we have tended to minimize how, amidst all these efforts, the role of the state grew. The success of the West inhered in its ability to marry the state with the market, to reconcile the rights of social citizenship with the dynamics of the marketplace, to insure minimal social provision while nurturing private incentives, to socialize key elements of risk-taking (in housing, insurance, and banking) while spurring private entrepreneurship and technological innovation, and to mitigating class conflict while nurturing income equality and championing consumer sovereignty.<sup>11</sup> Indeed, the Bretton Woods institutions themselves had been organized to reconcile the liberalization of trade and the maintenance of currency stability with the empowerment of national governments to exercise autonomy over their own economic fortunes and social policies. “The role of the state,” writes John Ruggie in a seminal article, was to “safeguard the self-regulating market.”<sup>12</sup>

In our preoccupations, for example, with US efforts to attach conditions to a postwar loan to Britain and to hem in its imperial preference system, we lose sight of the remarkable creation of the British welfare state. Americans frowned on British nationalization of key industries (civil aviation, telecommunications, coal, iron, steel, railways, gas, electricity, and the Bank of England), but the Labour government went ahead nonetheless, passing the Family Allowance Act of 1945 (introducing cash payments to all poor families with children under the age of 15), the National Insurance Act of 1946 (providing sickness benefits to persons unable to work), the National Health Service Act (instituting universal free health care financed by general taxation), and the National Assistance Act of 1948 (abolishing the old Poor Law and establishing the National Assistance Board to help indigent persons based on subsistence and housing costs). Social services as a percentage of gross national product (GNP) rose from 11.3 per cent in 1938, to 23.2 per cent in

*Europe, 1947–1952* (New York: Cambridge University Press, 1987); Charles S. Maier, “The Politics of Productivity,” reprinted in Charles S. Maier, *In Search of Stability: Explorations in Historical Political Economy* (Cambridge: Cambridge University Press, 1987), 121–52.

<sup>11</sup> The ideas expressed here are derived from my reading, among other works, the insightful and provocative books by Victoria de Grazia, *Irresistible Empire: America's Advance Through 20th Century Europe* (Cambridge, MA: Harvard University Press, 2005); Elizabeth Borgwardt, *A New Deal for the World: America's Vision for Human Rights* (Cambridge, MA: Harvard University Press, 2005).

<sup>12</sup> John Gerard Ruggie, “International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order,” *International Organization*, 36:2 (Spring 1982), 379–415, quotation on 386; Ivan Berend, *An Economic History of Twentieth Century Europe: Economic Regimes from Laissez-Faire to Globalization* (Cambridge: Cambridge University Press, 2006), especially 232–4; Anne-Marie Burley, “Regulating the World: Multilateralism, International Law, and the Projection of the New Deal Regulatory State,” in John Gerrard Ruggie (ed.), *Multilateralism Matters: The Theory and Praxis of an Institutional Form* (New York: Columbia University Press, 1993), 125–56; Frieden, *Global Capitalism*, 253–300.

1970; total public expenditures rose from 30 per cent of GNP in 1938, to 47.1 per cent in 1970.<sup>13</sup>

In France, the communist quest for power was thwarted, partially as a result of US aid, but French governments nationalized key industries and instituted massive reforms in social spending and welfare support. Postwar French governments, writes Philip Nord, “made a pledge” to the nation: “the state would undertake to make a better France for every citizen,” and for the most part the French government did so by insuring citizens “against the perils of sickness and old age,” and also by providing generous family allowances.<sup>14</sup>

In Italy, with considerable US assistance to the government of Alcide de Gasperi, the communists were also thwarted in the closely contested elections of 1948 and, thereafter, they never garnered the power they yearned for. But successive Italian postwar governments embraced the principles of minimal social provision, welfare assistance, health insurance, and regional development. From 1950 to 1980, public expenditures as a percentage of gross domestic product (GDP) increased from about 25 per cent of GDP to about 45 per cent; social expenditures from about 13 per cent of GDP to about 27 per cent.<sup>15</sup>

In West Germany, Ludwig Erhard, the economics minister, repudiated the Nazi legacy of statism and embraced the free market. To boost individual standards of living, he championed growth, competition, low taxes, monetary stability, and foreign trade, but he could not disregard the clamor for social protection. Erhard and Chancellor Konrad Adenauer updated and expanded the already elaborate pension systems and accident and health insurance laws that went back to the late nineteenth century. By 1953, 20 per cent of the West German population received some kind of state assistance, and, by 1955, perhaps as many as 50 per cent of all German households received government largesse. The annual real growth rate of social expenditures from 1951 to 1966 was 8.4 per cent annually.<sup>16</sup>

<sup>13</sup> Mazower, *Dark Continent*, 300; for British laws, see Pete Alcock, *Social Policy in Britain: Themes and Issues* (London: MacMillan Press, 1996), 22; Sassoon, *One Hundred Years of Socialism*, 138–43; Richard Perry, “United Kingdom,” in Peter Flora (ed.), *Growth to Limits: The West European Welfare States Since World War II*, volume 2 (Berlin: Walter de Gruyter, 1986), 155–240; Arthur Gould, *Capitalist Welfare Systems: A Comparison of Japan, Britain, and Sweden* (London: Longman, 1993), 115 ff.; William Hitchcock, *The Struggle for Europe: The Turbulent History of a Divided Continent, 1945 to the Present* (New York: Anchor Books, 2003), 40–56.

<sup>14</sup> Philip Nord, *France’s New Deal* (Princeton, NJ: Princeton University Press, 2010), 382–3; also see Hitchcock, *The Struggle for Europe*, 75; Berend, *Economic History of Twentieth Century Europe*, 234.

<sup>15</sup> Maurizio Ferrera, “Italy,” in Flora, *Growth to Limits*, volume 2, 388–499, percentages on 393–6.

<sup>16</sup> Ferrera, “Italy,” 250–96; Jens Alber, “Germany,” in Flora, *Growth to Limits*, volume 2, 4–154, especially 96–114; A. J. Nicholls, *Freedom with Responsibility: The Social Market Economy in Germany, 1918–1963* (Oxford: Clarendon, 1994), 350; Tony Judt, *Postwar: A History of Europe Since 1945* (New York: Penguin, 2005), 372; James C. Van Hook, *Rebuilding Germany: The Creation of the Social Market Economy, 1945–1957* (Cambridge: Cambridge University Press, 2004), 1–3; Claus Offe, “The German Welfare State: Principles, Performance, Prospects,” in Beverly Crawford and Sarah Elise Wilarty (eds.), *The Postwar Transformation of Germany: Democracy, Prosperity, and Nationhood* (Ann Arbor, MI: University of Michigan Press, 1999), 202–24.

In Japan, US occupation authorities worked with Japanese interest groups, not simply to defeat the Left and thwart the radicalization of unions, but also to revamp and modernize the health insurance laws that dated back to the 1920s. Overall, benefits were low, but by the early 1970s “Japan had a social security system which covered virtually the whole population.”<sup>17</sup>

US politicians may have sneered at the growth of welfare systems abroad, condemned the nationalization of industries, feared the epidemic of planning, worried about the growth of a garrison state, and excoriated “reds” at home. But the American state grew, instituted new monetary and fiscal practices, assumed huge responsibilities for promoting the health and welfare of the American people, and taxed Americans at unprecedentedly high peacetime levels.<sup>18</sup> In other words, Roosevelt’s aspirations for postwar America were slowly realized despite the conservative reaction that culminated in a Republican takeover of Congress in 1946, the end of wartime controls, the dilution of the Full Employment Act of 1946, and the passage of the Taft–Hartley labor law in 1947. For example, for 16 million veterans, the GI Bill of 1944 provided unemployment benefits, as well as tuition and subsistence allowances for education and training, and loans for farms, homes, and businesses. 5.4 million veterans made use of the unemployment benefits; and 7.8 million veterans availed themselves of the education benefits. Between 1945 and 1966, 20 per cent of all single-family residences were financed by GI bills.<sup>19</sup> In addition, in 1950, social security was extended to an additional 10 million persons; in 1954, the Agricultural Act brought 3.6 million farm operators and 2.1 million farm workers into the social security system; and, in 1956, disability insurance was added to old age and survivors’ insurance. Overall, between 1945 and 1960 the number of people receiving Old Age, Survivors, and Disability Insurance increased from 3.1 to 14.8 million. Poverty in the United States fell dramatically, from 51 per cent of the American people in 1935–36, to 30 per cent in 1950, to 20 per cent in 1960, and to 17 per cent in 1965.

<sup>17</sup> Kojun Furakawa, *Social Welfare in Japan: Principles and Applications* (Melbourne, Australia: Trans Pacific Press, 2008), 34–5, 53; for quotation, see Gould, *Capitalist Welfare Systems*, 36, 44; Stephen J. Anderson, *Welfare Policy and Politics in Japan: Beyond the Developmental State* (Chicago: University of Chicago Press, 1998), 43–55.

<sup>18</sup> Alan Brinkley, *The End of Reform: New Deal Liberalism in Recession and War* (New York: Vintage Books, 1995); Frieden, *Global Capitalism*, 297–300. For background, also see Aaron Friedberg, *In the Shadow of the Garrison State: America’s Anti-Statism and its Cold War Grand Strategy* (Princeton, NJ: Princeton University Press, 2000); Michael J. Hogan, *A Cross of Iron: Harry S. Truman and the Origins of the National Security State, 1945–1954* (New York: Cambridge University Press, 1998).

<sup>19</sup> Christopher Loss, “The Most Wonderful Thing Has Happened to Me in the Army’: Psychology, Citizenship, and American Higher Education in World War II,” *The Journal of American History*, 92 (December 2005), 887–8; Kathleen J. Frydl, *The GI Bill* (New York: Cambridge University Press, 2009), 2; Michael J. Bennett, *When Dreams Come True: The GI Bill and the Making of Modern America* (Washington, DC: Brassey’s, 1996), 287; Elizabeth Cohen, *A Consumers’ Republic: The Politics of Mass Consumption in Postwar America* (New York: Vintage, 2003), 141.

By that time, Lyndon B. Johnson's Great Society programs—Medicare, Medicaid, aid to education, etc.—were reshaping the social welfare landscape in America, meaning, among other things, that social welfare expenditures jumped from 7.7 per cent of GNP in 1960, to 10.5 per cent in 1965, and to 16 per cent in 1974.<sup>20</sup>

The remarkable growth of safety nets, minimal social provision, and welfare assistance was rendered possible by unprecedented economic growth in the West. States embraced new forms of fiscal and monetary policies, helped mobilize capital and socialize risk, organized cartels, nurtured various forms of planning schemes, and sustained purchasing power in bad times. In short, governments modulated the business cycle, buttressed markets, slowly embraced liberalized trade, and boosted standards of living. In Western Europe, between 1950 and 1970, GDP grew at 5.5 per cent per year and 4.4 per cent per capita; depending on the country, annual per capita income soared between 250 and 400 per cent.<sup>21</sup>

The public sector contributed to growth. "From 1950 to 1973 the average industrial country's public sector rose from 27 to 43 per cent of GDP. Social transfers, the core of social security and insurance systems, went from an average of 7 to 15 per cent of GDP."<sup>22</sup> Different countries pursued different paths, but the commitment of "states" to modernization, full employment, minimal social provision, educational opportunity, and higher standards of living, was universal. Throughout non-communist Europe in the 1950s and 1960s, the most advanced countries increased educational expenditures by almost 15 per cent a year—and eliminated gender discrimination in many levels of schooling.<sup>23</sup>

Even in the United States, the role of the state grew. The government nurtured growth and spawned technological innovation while building safety nets. GDP in the United States grew by about 3.5 per cent per annum in the 1950s, and 4.2 per cent a year in the 1960s. During these years, US government spending as a percentage of GDP increased from 17.1 per cent in 1948, to 29.5 per cent in 1970. And the growth of the public sector was not primarily

<sup>20</sup> James T. Patterson, *America's Struggle Against Poverty, 1900–1994* (Cambridge, MA: Harvard University Press, 1994), especially 79, 85–6, 164–5; Gareth Davies, *From Opportunity to Entitlement: The Transformation and Decline of Great Society Liberalism* (Lawrence, KS: University Press of Kansas, 1996).

<sup>21</sup> Wilfried Loth, "The Cold War and the social and economic history of the twentieth century," in Melvyn P. Leffler and Odd Arne Westad (eds.), *Cambridge History of the Cold War: Crises and Detente* (Cambridge: Cambridge University Press, 2010), 2: 512; Berend, *Economic History of Twentieth Century Europe*, 257; Barry Eichengreen, *The European Economy Since 1945: Coordinated Capitalism and Beyond* (Princeton, NJ: Princeton University Press, 2007), 15–130.

<sup>22</sup> Frieden, *Global Capitalism*, 297.

<sup>23</sup> Hitchcock, *The Struggle for Europe*, 140, also 137–8; Eichengreen, *European Economy Since 1945*, 86–130; Eric Hobsbawm, *Age of Extremes: The Short Twentieth Century, 1914–1991* (London: Abacus, 1995), 263–74; Berend, *Economic History of Twentieth Century Europe*, 236–7.

a matter of military Keynesianism. In fact, defense spending as a percentage of GDP dropped from a Korean War level of 14 per cent in 1952, to 8.5 per cent of GDP in 1970, while government expenditures on payments to individuals increased from 3.1 per cent of GDP in 1952, to 6.4 per cent in 1970.<sup>24</sup>

During these years, moreover, New Deal banking legislation was refashioned, guaranteeing deposits, authorizing the Federal Reserve Banks to supplement private banking reserves (by redefining what counted as collateral for debt), and socializing various forms of risk-taking. After the Second World War, the Veterans Administration and the Federal Housing Administration “provided government mortgage guarantees, insured private lenders against loss, helped to standardize appraisal practices, and popularized long-term mortgages.” The historian David Freund calculates that between 1947 and 1958 these agencies financed almost 50 per cent of new single-family homes purchased in the United States.<sup>25</sup>

The US government also nurtured a recalibration of power relationships between labor and capital. Union membership soared after the passage of the National Labor Relations Act (1935) and during the wartime emergency. The National Labor Relations Board, the War Labor Board, and the Office of Price Administration, among other state agencies, helped bolster the power and influence of organized labor in the United States. From the 1940s through the 1960s, workers, especially organized workers, could count on the state to be a neutral, if not partial, supporter of their efforts to get a larger part of the income pie and to join the middle class.<sup>26</sup>

The US government also played a decisive role encouraging technological innovation and catalyzing the electronics, computer, and communication revolutions that transformed the American economy and society. Government spending for research and development increased from \$940 million (or 2.4 per cent of total outlays) in 1949, to \$16.8 billion (or 11.7 per cent of total government expenditures) in 1965. In 1959, a congressional committee estimated that about 85 per cent of electronics research and development in the United States was funded by the federal government, much of which went to major corporations like IBM, Burroughs, Control Data, and Sperry. At this

<sup>24</sup> Richard N. Cooper, “Economic Aspects of the Cold War, 1962–1975,” in Leffler and Westad, *Cambridge History of the Cold War*, volume 2, 49; Table 15.5, “Total Government Expenditures by Major Category of Expenditure as Percentages of GDP, 1948–2010,” US Office of Management and Budget (OMB), Historical tables <<http://www.whitehouse.gov/omb/budget/Historical>>.

<sup>25</sup> David M. P. Freund, “Marketing the Free Market: State Intervention and the Politics of Prosperity in Metropolitan America,” in Kevin M. Kruse and Thomas J. Sugrue (eds.) *The New Suburban History* (Chicago: University of Chicago Press, 2006), 11–32, quotation on 16; also see David M. P. Freund, “When the State Assumes Risk: New Deal Policy, Postwar Finance, and a New Market for Debt,” unpublished paper, November 2010; for the Truman quote, see Cohen, *Consumers’ Republic*, 119, also 121–3.

<sup>26</sup> Nelson Lichtenstein, *State of the Union: A Century of American Labor* (Princeton, NJ: Princeton University Press, 2002).

time, the federal government was paying for about two-thirds of all computer-related research and development.<sup>27</sup>

The spillover impact on the civilian economy of these research endeavors was enormous. The work on electronics, transistors, computers, and communications—initially supported and expedited by the state—was quickly reconfigured, re-engineered, and adapted by other large corporations and by much smaller competitors for the consuming public. These efforts gradually reshaped habits, leisure, entertainment, and expectations in the United States and around the globe. At first, it meant a transformation of homelife, meaning the possession of indoor plumbing, stoves, refrigerators, washing machines, televisions, and cars—and later on it meant computers and cell phones. The state and the market together encouraged innovation, improved standards of living, and empowered the West to compete successfully with the East.<sup>28</sup>

That competition between the communist and non-communist worlds was extremely intense during these early decades of the Cold War because it was by no means certain that the West was ahead in stimulating economic growth and boosting standards of living. Soviet officials and their comrades in Eastern Europe took the competition extremely seriously, and—although we tend to forget or ignore it—communist governments did reasonably well during the first decades of the Cold War. Economic growth in the USSR in the 1950s was about 5.2 per cent per annum (compared to 3.5 per cent in the USA) and 4.8 per cent in the 1960s (compared to 4.2 per cent in the USA). In Eastern Europe, the growth rate was 5.1 per cent in the 1950s and 4.3 per cent in the 1960s, compared to 4.9 and 4.8 per cent in Western Europe. During these decades, life expectancy in Eastern Europe pretty much caught up with that experienced in the West, and infant mortality rates actually dropped more quickly in the East during these years. Despite housing shortages, there were remarkable improvements in social services and health care. Between 1965 and 1970, household consumption in East Germany increased by nearly 25 per cent; the percentage of homes with a refrigerator rose from 6 to 56 per cent, and with a television from 16 to 69 per cent. “On the basis of their overall performance in the 1960s,” writes Charles Maier, “serious-minded economists

<sup>27</sup> Table 9.7, “Summary of Outlays for Conduct of Research and Development, 1949–2012,” Office of Management and Budget (OMB), Historical tables, <<http://www.whitehouse.gov/omb/budget/Historical>>; David Reynolds, “Science, Technology, and the Cold War,” in Leffler and Westad, *Cambridge History of the Cold War: Endings*, volume 3, 379, 384, 392; Susan W. Schechter, *The Effects of Military and Other Government Spending on the Computer Industry: The Early Years* (Santa Monica, CA: Rand, 1989), 17, available at <<http://www.rand.org/content/dam/rand/pubs/papers/2009/P7536.pdf>>.

<sup>28</sup> Reynolds, “Science, Technology, and the Cold War,” 378–94; Friedberg, *In the Shadow of the Garrison State*, 334–9; Hobsbawm, *Age of Extremes*, 265 ff.; de Grazia, *Irresistible Empire*, especially 416–46.



could still argue that central planning might serve developing countries better as a model than western capitalism."<sup>29</sup>

Soviet premier Nikita Khrushchev was certain that the Soviet Union constituted such a model. At meetings with his comrades and in speeches to his countrymen he stressed that his overriding priority was to demonstrate the superiority of socialism. Communist countries, he emphasized, would demonstrate that they were superior in constructing "the living standard of the popular masses." By 1970, Khrushchev asserted, the Soviet Union would equal America's gross national production, and then surpass it a decade later. Planned economies, he had no doubt, were the wave of the future.<sup>30</sup>

Many observers in the 1950s and 1960s feared that Khrushchev might be right. In a generation, the Soviet Union had emancipated itself from the shackles of capitalists, managed a command economy to accelerate industrialization, developed immense military capabilities, and garnered power and prestige. Its trajectory was hugely appealing to nationalist leaders in the Third World, leaders who yearned to modernize and hungered for status.<sup>31</sup> At a meeting of the US National Security Council in January 1956, Secretary of State John Foster Dulles observed that his colleagues "had very largely failed to appreciate the impact on the underdeveloped areas of the world of the phenomenon of Russia's rapid industrialization. Its transformation from an agrarian to a modern industrialized state was an historical event of absolutely first-class importance."<sup>32</sup>

While both East and West enjoyed remarkable growth rates and improving standards of living in the 1950s and 1960s, and while leaders on both sides of the ideological divide sought to represent their systems as the embodiment of the future of humankind, both systems encountered serious hurdles in the 1970s.<sup>33</sup> In 1974 and 1975, industrial output in the West plummeted by almost 10 per cent, and unemployment rates jumped to postwar highs.

<sup>29</sup> For the quotation, see Charles Maier, "The Collapse of Communism: Approaches for a Future History," *History Workshop: A Journal of Socialist and Feminist Historians*, 31 (Spring 1991), 40–1; for figures regarding East Germany, see Greg Castillo, *Cold War on the Home Front: The Soft Power of Midcentury Design* (Minneapolis, MN: University of Minneapolis Press, 2010), 200. For some additional comparative statistics, see Cooper, "Economic Aspects of the Cold War," 49; Angus Maddison, *The World Economy: A Millennial Perspective* (Paris: Development Centre of the OECD, 2001), 30, 349; also see, Mazower, *Dark Continent*, 277–8; Frieden, *Global Capitalism*, 337.

<sup>30</sup> Melvyn P. Leffler, *For the Soul of Mankind: The United States, the Soviet Union, and the Cold War* (New York: Hill and Wang, 2007), 165–70; Castillo, *Cold War on the Home Front*, 157–70; Francis Spufford, *Red Plenty* (London: Faber and Faber, 2010).

<sup>31</sup> In addition to the citations in note 5 above, see, for example, Sergey Mazov, *A Distant Front in the Cold War: The USSR in West Africa and the Congo, 1956–1964* (Washington, DC: Woodrow Wilson Center Press and Stanford University Press, 2010), 255.

<sup>32</sup> Quoted in Jonathan Haslam, *Russia's Cold War: From the October Revolution to the Fall of the Wall* (New Haven, CT: Yale University Press, 2011), 150.

<sup>33</sup> For the worldwide competition of systems, see Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times* (Cambridge: Cambridge University Press, 2005).

The Bretton Woods system disintegrated and had to be replaced through a series of improvisations. In July 1975, one year before the 200th anniversary of America's Declaration of Independence, *Time* magazine ran a cover story, "Can Capitalism Survive?"<sup>34</sup>

The story of the West's triumph in the Cold War is the story of the West's slow but gradual adaptation to the new challenges stemming from monetary disarray, skyrocketing oil prices, declining productivity, wage-price spirals, soaring unemployment, skyrocketing inflation, labor strife, and political turmoil. The familiar narrative is that Western governments responded by jettisoning their Keynesian commitments, raising interest rates, deregulating their economies, privatizing state-owned enterprises, lowering taxes, and embracing more open markets, freer trade, and capital inflows and outflows. In this analysis, Jimmy Carter, Margaret Thatcher, and Ronald Reagan led the way, and Helmut Kohl and François Mitterrand soon followed. In general, we think we know that a neo-liberal turn occurred, rejecting the state and embracing a globalized future.<sup>35</sup>

Again, much of that narrative tells an important part of the story, but it is only a part of the story. What it omits is the continued role of the state in cushioning people from the hardships they faced, sustaining purchasing power, and modulating even more severe fluctuations in the business cycle. In the late 1970s, Zbigniew Brzezinski, President Jimmy Carter's national security adviser, lamented the erosion of European economic vitality and feared the consequences of high unemployment and soaring inflation. Extremist parties on the Right and the Left, he warned, "have growing public acceptance and legitimacy." He fretted over a future that seemed as portentous as the 1940s.<sup>36</sup> But such a future did not materialize, partly because "governments created millions of jobs and pumped billions of dollars into struggling economies." Non-communist governments in the West increased spending as a percentage of GDP from 33 to 42 per cent. They hired more workers, employing as much as 20–33 per cent of the workforce by the early 1980s. They sold off public assets, but used the proceeds to subsidize key industries, augment exports, and help preserve safety nets and minimal social

<sup>34</sup> "Can Capitalism Survive?" *Time*, 106 (July 14, 1975), 52–63; Frieden, *Global Capitalism*, 363–73. For growth rates, see the table in Maier, "Collapse of Communism," 48.

<sup>35</sup> David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2005); Daniel Yergin and Joseph Stanislaw, *The Commanding Heights: The Battle Between Government and the Marketplace that is Remaking the Modern World* (New York: Simon & Schuster, 1998); Berend, *Economic History of Twentieth Century Europe*, 275–8 ff.; Daniel Swann, *The Retreat of the State: Deregulation and Privatization in the UK and US* (New York: Harvester, 1988); Robert M. Collins, *Transforming America: Politics and Culture During the Reagan Years* (New York: Columbia University Press, 2007), 29–117.

<sup>36</sup> Leffler, *For the Soul of Mankind*, 264–5.

provision.<sup>37</sup> In Japan, welfare spending soared in the 1970s. During the last two decades of the Cold War social security expenditures as a percentage of GDP in Japan went from 5.3 per cent to 14 per cent.<sup>38</sup> In England, Margaret Thatcher talked about reconfiguring the relationship of the state and the individual, but welfare spending as a percentage of government expenditures (about 55 per cent) and welfare spending as a percentage of GDP (about 23 per cent) remained virtually constant. Spending on housing plummeted, but spending on health and education did not decline significantly. The basics of the system remained intact.<sup>39</sup> In France, Mitterrand ceded power from the state to the market and embraced privatization, deregulation, lower public spending, and higher productivity, as well as monetary stability and European integration. His reverse course, however, did not “mean a withdrawal of state activity but a change in the patterns of state intervention.” During the 1980s, social expenditures as a percentage of GDP in France actually went from 20.8 per cent to 24.9 per cent, dipping slightly in the late 1980s. Across the border, in West Germany, social expenditures as a percentage of GDP grew by almost 4.5 per cent a year from 1970 to 1982, and contracted only minimally thereafter. In Italy, social expenditures as a percentage of GDP also increased during the 1980s from 18 per cent to 20 per cent.<sup>40</sup>

Nor did social spending drop much in the United States, and neither did the size of the public sector. Notwithstanding all the rhetoric about a Reagan revolution, total government expenditures in the United States as a percentage of GDP in 1980 were 31.3 per cent; in 1990, they were 32.5 per cent. Social security and Medicare spending was 5.5 per cent of GDP in 1980 and 6.2 per cent in 1990.<sup>41</sup> The Department of Health and Human Services received 11.4 per cent of government outlays in 1980 and 14.0 per cent in 1990.<sup>42</sup> Simultaneously, from the mid-1970s to the mid-1980s, the hidden welfare state in

<sup>37</sup> For quotation, see Frieden, *Global Capitalism*, 368. Also see Sassoon, *Hundred Years of Socialism*, 551; Judt, *Postwar*, 556–9; Berend, *Economic History of Twentieth Century Europe*, 283–4; Christos Pitelis and Thomas Clarke, *The Political Economy of Privatization* (London: Routledge, 1993), 6–8.

<sup>38</sup> Gould, *Capitalist Welfare Systems*, 12–13; Anderson, *Welfare Policy and Politics in Japan*, 13, 17, 55, 67–75, 128–30.

<sup>39</sup> Mazower, *Dark Continent*, 332–3; Perry, “United Kingdom,” 228–335; Eichengreen, *European Economy Since 1945*, 291; Sassoon, *Hundred Years of Socialism*, 532–3.

<sup>40</sup> For key statistics, also see OECD, StatExtracts, “Social Expenditure—Aggregated Data” <[http://stats.oecd.org/Index.aspx?datasetcode=SOCX\\_AGG](http://stats.oecd.org/Index.aspx?datasetcode=SOCX_AGG)> (accessed June 7, 2011). Also see Henrik Utterwedde, “Mitterrand’s Economic and Social Policy in Perspective,” in Mairi Maclean (ed.), *The Mitterrand Years: Legacy and Evaluation* (Houndsmills: Macmillan Press, 1998), 133–50; Eichengreen, *European Economy Since 1945*, 289–90; Sassoon, *Hundred Years of Socialism*, 556–71. For developments in West Germany, see Alber, “Germany,” 98–9; for developments in Italy, see Ferrera, “Italy,” 393–6, 460–1.

<sup>41</sup> Table 15.5, “Total Government Expenditures by Major Category of Expenditure as Percentages of GDP, 1948–2010,” OMB, Historical tables <<http://www.whitehouse.gov/omb/budget/Historical>>.

<sup>42</sup> Table 4.2, “Percentage Distribution of Outlays by Agency, 1962–2016,” OMB, Historical tables <<http://www.whitehouse.gov/omb/budget/Historical>>.

the United States expanded rapidly. Legislators amended the tax code in various ways to achieve social purposes and to help individuals (mostly in the middle class). Without acknowledging what they were doing, lawmakers were, in fact, using the state in creative new ways to expand the social net.<sup>43</sup>

What all this means is that while deregulation, privatization, and liberalization proceeded to unfetter markets and trade, erode the power of labor unions, and increase levels of income inequality, the role of the state in shaping monetary policy, insuring minimum safety nets, promoting technological innovation, encouraging fuel production, and nurturing consumption and economic growth, did not abate. New Federal Reserve policies were instituted by Paul Volcker. He raised interest rates to astounding levels (almost 20 per cent) to thwart inflation and promote a strong dollar.<sup>44</sup> The Housing Act of 1968 and the Emergency Home Finance Act of 1970 created the Federal Home Loan Mortgage Corporation and encouraged the development of mortgage-backed securities.<sup>45</sup> In June 1980, Congress also created the Energy Security Corporation. It encouraged the production of oil shale, alcohol fuels, and geothermal and solar energy.<sup>46</sup> And after protracted study and legislative logrolling, Congress passed the Omnibus Trade and Competitiveness Act of 1988. It institutionalized new forms of private–public collaboration and allocated new powers to the executive branch to negotiate trade agreements and expand commerce. The law called upon the government for new investments in technology, education, and training, investments that were deemed essential to shape a “comprehensive competitiveness or growth strategy.”<sup>47</sup>

The strong dollar and the deregulation of financial markets in the United States accelerated world trade in the 1980s and boosted American imports, thereby lifting free world economies everywhere. West European governments, meanwhile, negotiated “The Single European Act of 1987,” further buttressing market forces and igniting increases in productivity.<sup>48</sup> As they increased their monetary collaboration, they also increased their collective

<sup>43</sup> Christopher Howard, *The Hidden Welfare State: Tax Expenditures and Social Policy in the United States* (Princeton, NJ: Princeton University Press, 1997), 177; Jacob S. Hacker, *The Divided Welfare State* (New York: Cambridge University Press, 2002), 147–63.

<sup>44</sup> Giovanni Arrighi, “The world economy and the Cold War, 1970–1990,” in Leffler and Westad, *Cambridge History of the Cold War: Endings*, volume 3, 23–45.

<sup>45</sup> Louis Hyman, “American Debt, Global Capital: The Policy Origins of Securitization,” in Niall Ferguson, Charles S. Maier, Erez Manela, and Daniel J. Sargent (eds.), *The Shock of the Global: The 1970s in Perspective* (Cambridge, MA: Harvard University Press, 2010), 133–42.

<sup>46</sup> Judith Stein, *Pivotal Decade: How the United States Traded Factories for Finance in the Seventies* (New Haven, CT: Yale University Press, 2010), 218.

<sup>47</sup> Kent H. Hughes, *Building the Next American Century: The Past and Future of American Economic Competitiveness* (Washington, DC: Woodrow Wilson Center Press, 2005), 172–204ff.

<sup>48</sup> Loukas Tsoukalis, *The New European Economy Revisited* (Oxford: Oxford University Press, 1997), chapter 5; Eichengreen, *The European Economy Since 1945*, 282–93, 335–56.

support for research and development and fashioned a more comprehensive collective social vision. They enlarged their Social Action Program (SAP) and scripted basic guidelines for full employment, better living and working conditions, and increased participation of labor and management in the economic and social decisions of the Community itself.<sup>49</sup>

In other words, while European governments were integrating their economies as never before, and embracing free markets, they reconfirmed their commitment to social provision, safety nets, research, training, education, and higher standards of living. The 1989 Social Charter underscored the EC's commitments to maximum working hours, minimum working age, a right to join unions, gender equality, and assistance to people with disabilities—even though only small amounts were earmarked for these purposes.<sup>50</sup> But throughout the EU, social protection as a percentage of GDP reached a peak in 1993, amounting to 28.7 per cent of GDP.<sup>51</sup>

Through deregulation, liberalization, integration, social welfare, and minimal social provision the West staggered through the 1980s, seeking to reinvent itself by reconciling the state and the market without provoking social revolution. Compensatory social spending by governments helped preserve consumption even as unemployment increased in Europe and inequality began to grow in America. In other words, safety nets, unemployment insurance, and retraining initiatives helped preserve individual opportunity and standards of living, even as liberalized world trade increased competition from low-wage producers in Asia, undercut domestic wage levels in the West, and threw millions of people out of work.<sup>52</sup>

Overall, there were few radical backlashes and only modest social turmoil in the West in the 1980s. Responding in their divergent ways, parliaments

<sup>49</sup> For support for research and development, see Berend, *Economic History of Twentieth Century Europe*, 285–6; for a summary of the European Social Fund, see European Commission, *European Social Fund: 50 Years Investing in People* (Luxembourg: Office of Official Publications of the European Commission, 2007) <[http://ec.europa.eu/employment\\_social/esf/docs/50th\\_anniversary\\_book\\_en.pdf](http://ec.europa.eu/employment_social/esf/docs/50th_anniversary_book_en.pdf)> (accessed June 8, 2011); for background on the social policy of the European Community, also see Michael Shank, "Introductory article: The Social Policies of the European Communities," in Paul J. G. Kapteyn (ed.), *The Social Policies of the European Communities* (Leyden: Europa Instituut of the University of Leyden, 1977), 4–6; Glenda G. Rosenthal, "Education and Training Policy," in Leon Hurwitz and Christian Lequesne (eds.), *The State of the European Community: Policies, Institutions, and Debates in the Transition Year* (Boulder, CO: Lynne Rienner Publications, 1991), 273–83; Pedro Coronó-Viron, "Social Protection," in Hurwitz and Lequesne, *State of the European Community*, 229–42; Robin Gaster, "Research and Technology Policy," in Hurwitz and Lequesne, *State of the European Community*, 243–58.

<sup>50</sup> John W. Young, "Western Europe and the End of the Cold War," in Leffler and Westad, *Cambridge History of the Cold War: Endings*, volume 3, 302–3.

<sup>51</sup> Alexandra Petrasova, "Social Protection in the European Union," Eurostat Statistics in Focus 46/2008 <[http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-SF-08-046/EN/KS-SF-08-046-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-08-046/EN/KS-SF-08-046-EN.PDF)> (accessed June 7, 2011).

<sup>52</sup> Charles S. Maier, "Malaise': The Crisis of Capitalism in the 1970s," in Ferguson et al., *Shock of the Global*, 44–8; Collins, *Transforming America*, 100–15; also see Eichengreen, *European Economy Since 1945*, 252–93; Frieden, *Global Capitalism*, 356–434.

illuminated the capacity of democratic polities not only to muddle through but also to experiment, innovate, improvise, and recalibrate the proper balance between the market and the state. Notwithstanding the tougher economic circumstances in Western Europe, communism lost the appeal it once had; Eurocommunism floundered in France and Italy; and Spain, Portugal, and Greece rid themselves of their neo-fascist pasts and opted for social democracy and market economies. In fact, European workers increasingly embraced lifestyles that emulated and then began to surpass their American counterparts. They jettisoned their self-identity in terms of their relationship to the means of production and embraced a new sense of self based on their status as consumers. Easy access to credit empowered them even in hard times. Women, teenagers, and men were tantalized by household gadgets that eased their lives, by images of glamour and sexuality that whet their deepest appetites, and by symbols of power and wealth that eroded class distinctions. "By the 1980s Europe's old left," comments Victoria de Grazia, "did not have a consumer leg to stand on."<sup>53</sup>

Images of abundance were conveyed across Europe to the East and to the Soviet Union. Through museum exhibitions and radio broadcasting, US (and other Western) officials tried to illuminate the false promises of communism and convey the superiority of democratic polities where diverse peoples could speak freely, express their individual creativity, vote for whom they wanted, and feel secure in their ownership of private property. For US leaders in particular, a key component of their system's strength was its capacity to deliver a superior standard of living, the universally accepted benchmark of a successful system of political economy.<sup>54</sup> US propagandists and broadcasters, therefore, touted the superiority of what they called "people's capitalism." They appropriated communist discourse and highlighted "how the American economy allowed individuals to flourish as citizens and consumers." Capitalism, they insisted, did not exploit workers as producers; it empowered them as consumers. Capitalism bred dignity among workers, dignity that was exemplified through personal buying power, household appliances, cosmetics, leisure, travel, and entertainment.<sup>55</sup>

<sup>53</sup> De Grazia, *Irresistible Empire*, 416–73, quotation on 465; Olivier Zunz, "Introduction," in Olivier Zunz, Leonard Schoppa, and Nobuhiro Hiwatari (eds.), *Social Contracts Under Stress: The Middle Classes of America, Europe, and Japan at the Turn of the Century* (New York: Russell Sage Foundation, 2002), 2–3; Sassoon, *Hundred Years of Socialism*, 193; also see Emily Rosenberg, "Consumer capitalism and the end of the Cold War," in Leffler and Westad, *Cambridge History of the Cold War: Endings*, volume 3, 489–512; Cohen, *Consumers' Republic*.

<sup>54</sup> David C. Engerman notes how measurements of GNP and standards of living became the "key yardstick of the Cold War—and the twentieth century." Engerman, "American Knowledge and Global Power," *Diplomatic History*, 31 (September 2007), 615–16.

<sup>55</sup> Laura Belmonte, *Selling the American Way: US Propaganda and the Cold War* (Philadelphia, PA: University of Pennsylvania Press, 2008), especially 95–135, quotation on 134; also see Castillo, *Cold War on the Home Front*, 115–30; A. Ross Johnson and R. Eugene Parta, *Cold War Broadcasting: Impact*

After 1975, these messages from the West increasingly resonated in the East. During the first decades of the Cold War, growth rates in the USSR compared favorably to those in the United States (starting, of course, from a much lower base), those in Eastern Europe compared nicely to those in Western Europe, and those in East Germany to those in West Germany. But economic growth rates in communist Europe fell in the 1970s and 1980s. As a percentage of Western European per capita GDP, Eastern Europe declined from 49 per cent in 1973 to 37 per cent in 1989. Infant mortality rates and life expectancy statistics in Eastern Europe also suffered in comparison to what was happening in the West.<sup>56</sup>

Basically, communist regimes were unable to make the adjustments to new economic circumstances that their counterparts in the West were making, however jarringly. After 1968, Eastern Europe retreated from economic reform, failed to adjust to the oil shocks of the 1970s, and became increasingly dependent on loans from the West. Communist leaders in Eastern Europe could not institute a functioning price system that provided incentives to innovate; could not boost productivity; and could not satisfy consumer demand at home or compete successfully in international markets. Meanwhile, more travel, increased tourism, better communication, and the influx of films and television programs into the East highlighted the discrepancies to more and more people. The state without the market just did not work. Consumer goods, acknowledged the Ministry of State Security in East Germany in 1989, had become “the basic criterion for the assessment of the attractiveness of socialism in comparison to capitalism.”<sup>57</sup>

Nowhere was this more true than in the Soviet Union. Soviet leaders from Khrushchev to Gorbachev never stopped believing and saying that the goal of communism or advanced socialism was to improve the living conditions of individuals and families. In November 1961, the Party declared that improvements in social welfare—health, education, housing, nutrition, childcare, old

*on the Soviet Union and Eastern Europe* (Budapest: Central European University Press, 2010); Tomas Tolvasias, “Cold War ‘Bridge Building’: US Exchange Exhibits and Their Reception in the Soviet Union, 1959–1967,” *Journal of Cold War Studies*, 12 (Fall 2010), 3–31.

<sup>56</sup> For GDP statistics, see the table in Cooper, “Economic Aspects of the Cold War,” 49; for per capita GDP statistics, see Ivan T. Berend, *From the Soviet Bloc to the European Union: The Economic and Social Transformation of Central and Eastern Europe Since 1973* (Cambridge: Cambridge University Press, 2009), 34–5; for infant mortality rates, see B. R. Mitchell, *International Historical Statistics: Europe, 1750–1993*, 4th edition (London: Macmillan Reference, 1998), 125–6; for life expectancy rates, see United Nations: Demographic Yearbook, Historical Supplement, Table 9a, “Expectations of Life at Specified Ages for each sex, 1948–1997” <<http://unstats.un.org/unsd/demographic/products/dyb/dybhst.htm>>.

<sup>57</sup> For quotation, see Castillo, *Cold War on the Home Front*, 201; Berend, *From the Soviet Bloc to the European Union*, 6–38; Eichengreen, *European Economy Since 1945*, 142–6, 296–303; Stephen Kotkin, “The Kiss of Debt,” in Ferguson et al., *Shock of the Global*, 80–93; Maier, “Collapse of Communism,” 34–59; Loth, “Cold War and the social and economic history of the twentieth century,” 502–23; Reynolds, “Science, Technology, and the Cold War,” 378–99.

age pensions—were the overriding goals of the regime. Soviet leaders promised their people full employment, higher and more equal wages, and improving standards of living. But they were unable to fulfill expectations. After the Kremlin crushed the reform movement in Czechoslovakia in 1968, Soviet economists who had been pondering ways to reconcile planning with the market were squelched. And when Gorbachev tried to revitalize their thinking and catalyze reforms in the command economy, he made things much worse. Per capita spending on social services actually began declining in the 1970s and, after 1981, fell absolutely for overall consumption, health, and education.<sup>58</sup>

Peoples in Eastern Europe and the USSR grew demoralized. So did their elites. Not only were they failing to catch up to the United States and Western Europe, but equally distressing was their growing knowledge that they were now trailing the modernizing economies of East and Southeast Asia. “From its inception,” writes Stephen Kotkin, “the Soviet Union had claimed to be an experiment in socialism, a superior alternative to capitalism, for the entire world. If socialism was not superior to capitalism, its existence could not be justified.” Not only was it not superior; it was now indisputably being crushed.<sup>59</sup>

But it was not being crushed simply by the superiority of a free market system. It was crushed by reformed forms of capitalism, by social democracy, and by social market economies in which governments played critically important roles in providing safety nets, insuring minimal social provision, spurring research and innovation, and dispensing compensatory income in hard times. Communism, in other words, was defeated by people in democratic polities who expected their governments to structure, support, regulate, liberalize, and ameliorate market forces. This required judgment, fine-tuning, continual recalibrations of the role of the state and the role of the market. Different governments in the West proceeded in many different ways. But they all recognized that states and markets were co-dependent. Governments recognized that states and markets had to work collaboratively to improve living conditions, to preserve the peace, and to insure that depression, war, and impoverishment would not be the lot of humankind, as had been the case

<sup>58</sup> Linda J. Cook, *The Soviet Social Contract and Why it Failed: Welfare Policy and Workers' Politics from Brezhnev to Yeltsin* (Cambridge, MA: Harvard University Press, 1993), especially 1–8, 50–2; for living standards as the Soviet benchmark, see Stephen Kotkin, *Stalton, USSR: Soviet Society in the Gorbachev Era* (Berkeley, CA: University of California Press, 1991), 260; for illuminating insights into living standards and expectations, see Alex Berelowitch, “The 1970s: Reply to a Discussion,” *Russian Politics and Law*, 42 (May–June 2004), especially 25–32.

<sup>59</sup> For the quotation, see Stephen Kotkin, *Armageddon Averted: The Soviet Collapse, 1970–2000* (New York: Oxford University Press, 2001), 19; also see Kotkin, *Stalton*, 142; Kotkin, “Kiss of Debt,” 86–9.



during the first half of the twentieth century. Taking office at a harrowing time in the Cold War and in a dismal economic climate, Ronald Reagan declared that governments were not the solution; they were the problem. But any fair-minded assessment of Western policies during the Cold War would affirm that the “state” was an indispensable part of the solution, an indispensable key to victory in the Cold War.

Thinking that free markets alone won the Cold War is fraught with ominous consequences. Since the Soviet Union collapsed, and since communism as a serious competitor to capitalism has withered, some commentators, think tanks, political leaders, and government officials have proceeded ever more vigorously to attack entitlements and safety nets, dismantle or weaken regulatory agencies, deride the value of the state, and erode its powers to collect revenue. Some initiatives of this sort no doubt contributed to the revitalization of the West in the 1980s. And, surely, generous welfare benefits and safety nets in a globalized economy bloated the budgets of Western governments, saddled them with onerous debt burdens, increased costs of production, and weakened the capacity of their entrepreneurs to compete in international markets. But injudicious extrapolations over the last 15–20 years have been ominously consequential—contributing to the economic and social debacle in post-Soviet Russia in the early 1990s and accelerating the disarray and strife in Iraq after the toppling of Saddam Hussein’s tyranny in 2003–7, as well as leading to the financial meltdown and housing debacle of 2008–10 in the United States and parts of the EU.<sup>60</sup>

Extrapolating the wrong lessons from the history of the Cold War is more than bad history; extrapolating the wrong lessons is diminishing the capacity of the West to act internationally and to prosper domestically. When Bill Clinton famously stated, “it’s the economy, stupid,” he might have added that it is the state and the market, neither alone, that nurture a thriving economy. Getting the right balance between the state and the market,

<sup>60</sup> For application of free market ideology to post-Soviet Russia, see, for example, Peter Reddaway and Dmitri Glinksy, *The Tragedy of Russia’s Reforms: Market Bolshevism Against Democracy* (Washington, DC: US Institute of Peace Press, 2001); Stefan Hedlund, *Russia’s Market Economy: A Bad Case of Predatory Capitalism* (London: University College of London Press, 1999); Stephen F. Cohen, *Failed Crusade: America and the Tragedy of Post-Communist Russia* (New York: Norton, 2000). For Iraq, see David D. Phillips, *Losing Iraq: Inside the Postwar Reconstruction Fiasco* (New York: Westview Press, 2005), 147; Rajiv Chandrasekaran, *Imperial Life in the Emerald City: Inside Iraq’s Green Zone* (New York: Knopf, 2005); Thomas E. Ricks, *Fiasco: The American Military Adventure in Iraq* (New York: Penguin, 2006), 165, 171. For deregulation, free market thinking, and the financial meltdown in the United States, see Financial Crisis Inquiry Commission, *The Financial Crisis: Inquiry Report* (New York: Public Affairs, 2011), xv–xviii; Joseph E. Stiglitz, *Freefall: America, Free Markets, and the Sinking of the Global Economy* (New York: Norton, 2010); Richard A. Posner, *A Failure of Capitalism: The Crisis of ’08 and the Descent into Depression* (Cambridge, MA: Harvard University Press, 2009).

forgetting neither, is what is indispensable for meeting people's yearnings for a decent standard of living and for sustaining effective foreign policies abroad. Creating that balance, recalibrating it, and sustaining it were one of the greatest accomplishments of the West during the Cold War, the success of which could not have been predicted in 1945, and one which we forget at our peril today.

# 5

## The United States and the Cold War

### Four Ideas that Shaped the Twentieth-Century World

*Jeremi Suri*

American foreign policy in the Cold War promoted a series of ideas that were frequently misguided, and often quite harmful. At the end of the Second World War, for example, the United States invested in global industrial development, on the model of the Tennessee Valley Authority and comparable big domestic public works. David Ekbladh, Nick Cullather, and others have shown how this internationalization of the New Deal damaged many of the societies it hoped to serve.<sup>1</sup> Similarly, in the 1960s the United States merged ideas of development and counterinsurgency to redesign “backward” villages—“strategic hamlets”—in Southeast Asia for “modern” security and prosperity. Michael Latham, Philip Catton, and others have analyzed how these American rural projects exacerbated the very communist threats that policymakers in Washington hoped to forestall.<sup>2</sup>

This process continued through the last decade of the Cold War, when President Ronald Reagan pledged to mobilize American technology to create an impregnable space shield against nuclear attacks—the Strategic Defense Initiative. Despite billions of dollars in spending, the United States never

<sup>1</sup> See David Ekbladh, *The Great American Mission: Modernization and the Construction of an American World Order* (Princeton, NJ: Princeton University Press, 2010); Nick Cullather, *The Hungry World: America’s Cold War Battle against Poverty in Asia* (Cambridge, MA: Harvard University Press, 2010).

<sup>2</sup> See Michael E. Latham, *The Right Kind of Revolution: Modernization, Development, and US Foreign Policy from the Cold War to the Present* (Ithaca, NY: Cornell University Press, 2011); Philip E. Catton, *Diem’s Final Failure: Prelude to America’s War in Vietnam* (Lawrence, KS: University Press of Kansas, 2002).

managed to build the nuclear shield. Like the previous promises of global industrial development and rural modernization, the Strategic Defense Initiative was an idea that overextended American resources, underserved the promised beneficiaries, and antagonized many American adversaries. Big dreams were alluring to self-confident Americans in the Cold War, but they frequently had nightmarish implications.<sup>3</sup>

For more than a decade, historians have made a career of identifying, deconstructing, and ultimately condemning the intellectual orthodoxies that underpinned America's misguided Cold War dreams. Scholars have exposed how naïve, ahistorical, and self-serving assumptions about "development," "modernization," "civilization," and even "health," encouraged intervention, violence, and authoritarianism—exactly the opposite of the aims American policymakers claimed to serve.<sup>4</sup> Another group of writers has furthered this cultural "outing" of American foreign policy, focusing on the racist and sexist underpinnings of policies that encouraged particular kinds of nationalism and statehood in former colonial areas. America's liberal democratic promises, according to these authors, exported racist and chauvinist practices to societies in transition. Reading this exciting and innovative new work, one might conclude that American foreign policy in the Cold War was intellectually bankrupt. Many historians clearly believe just that.<sup>5</sup>

This chapter will make a very different argument. Despite all the misguided and harmful ideas promoted by the United States, American foreign policy during the Cold War contributed to the spread of four basic propositions that, on the whole, enhanced global peace and prosperity. These propositions were not unique to the United States or the post-1945 years. They were empowered internationally, however, by an American government with global capabilities and commitments that knew few previous historical parallels, at least since the growth of British influence in the late eighteenth and early nineteenth centuries.

<sup>3</sup> See Sanford Lakoff and Herbert F. York, *A Shield in Space? Technology, Politics, and the Strategic Defense Initiative* (Berkeley, CA: University of California Press, 1989); Frances Fitzgerald, *Way Out There in the Blue: Reagan, Star Wars, and the End of the Cold War* (New York: Simon & Schuster, 2000).

<sup>4</sup> See James C. Scott, *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed* (New Haven, CT: Yale University Press, 1998); Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of our Times* (Cambridge: Cambridge University Press, 2005); Matthew Connelly, *Fatal Misconception: The Struggle to Control World Population* (Cambridge, MA: Harvard University Press, 2008); Bradley R. Simpson, *Economists with Guns: Authoritarian Development and US-Indonesian Relations, 1960-1968* (Stanford, CA: Stanford University Press, 2008).

<sup>5</sup> See Douglas Little, *American Orientalism: The United States and the Middle East since 1945* (Chapel Hill, NC: University of North Carolina Press, 2008); Petra Goedde, *GIs and Germans: Culture, Gender, and Foreign Relations, 1945-49* (New Haven, CT: Yale University Press, 2002); Victoria de Grazia, *Irresistible Empire: America's Advance through 20th Century Europe* (Cambridge, MA: Harvard University Press, 2005).

First, at the end of the Second World War Americans invested heavily in the belief that *collective security* would best insure against another international apocalypse. The traditional American posture in all previous postwar periods emphasized a mix of unilateralism and isolationism. American institution building, alliance formation, and containment doctrine after the Cold War championed multilateralism. For the first time, the United States prepared to confront foreign threats as part of a permanent set of partnerships that spanned from London and West Berlin, to Tokyo and Seoul.

Second, Americans supported *free trade* across the globe, believing that open competition—not just open markets—would increase everyone’s prosperity. Moving far beyond “Open Door” efforts to reach foreign consumers and “Dollar Diplomacy” investments in foreign infrastructure, Americans now cut their own traditional high protectionist walls to spur growth in bi-directional trade volume and spread production—not just consumption—across the globe. Building factories and disseminating innovation for foreign competitors, Americans placed unprecedented faith in the comparative advantages that would come from the economic advancement of all societies. Capitalist competitors would now be friends. Communists and others who rejected free trade were the real enemies.

Free trade, like collective security, was never absolute. The United States continued to maintain high tariffs on many industrial products and luxury items produced abroad. Similarly, the American government offered lucrative financial supports for farmers and numerous manufacturers, protecting their incomes from foreign competition. Overall, American trade policy remained restrictive, but it was still freer than it had ever been before. In comparison to any other period in the country’s history, this was a high point for the practice and advocacy of free trade by the United States.

Third, and most often neglected by historians, American policymakers pursued collective security and free trade with a strong commitment to financial *solvency*—the belief that American resources were finite, that budgets had to be balanced, and that too much spending (particularly on the military) undermined domestic dynamism. The American aversion to traditional empire building reflected a belief that empire was simply too expensive. American policy during the Cold War sought influence through preponderance and efficiency. The United States would do more than others because it could, but also because it knew how. Time and again, this meant a preference for technology over manpower, for incrementalism over bold risk-taking.

Fourth, and perhaps most misunderstood, the United States promoted a concept of *democracy*, and a broader free society, to allies and adversaries alike after the Second World War. This was a long-standing vision for global change, now married to unique and unprecedented power. For some

enthusiasts, it appeared that ideals could be made real. For those who were more skeptical, democratic aspirations were unavoidable.

The United States had the extraordinary postwar opportunity to help build participatory, representative, humane governments—especially in Europe and Asia—where they had not existed before. Americans blamed the absence of democracy for the rise of fascism and communism, and they sought to secure themselves by making the world safe for democracy, to paraphrase President Woodrow Wilson’s famous statement. Democratic nation building became a guiding idea for all American foreign interventions. This vision remained powerful, even when policy practice departed from hopes and expectations, as it often did.<sup>6</sup>

Democratic aspirations did not always produce democratic results. The opposite was frequently the case. This contradiction did not reflect a lack of sincerity among Americans, but instead an impatience with the slow and complex paths to change in foreign societies. Too often, Americans supported “strongman” figures who promised a quick and orderly road to reform. Too often, Americans came to believe that long-term democratization was best served by short-term dictatorship. Racism and cultural prejudice contributed to this process with common assertions that particular societies were allegedly “not ready” for democracy and in need of paternalistic guidance.<sup>7</sup>

The strength of American democratic convictions drove anti-communism and interventionism in the Cold War, with very controversial results. The standards of democracy that the United States promoted frequently provided the framework for criticizing Washington’s specific policies. The spread of democracy in the Cold War occurred because of and despite the United States.<sup>8</sup>

These ideas—collective security, free trade, solvency, and democracy—entered a period of collective crisis during the last decades of the Cold War. In the aftermath of détente, the oil crisis of 1973, the unprecedented growth of domestic spending, and the emergence of many new states throughout the “Third World,” Washington found itself more constrained than it had been since the end of the Second World War. Inherited assumptions about alliances, resources, and popular consensus broke down. Cold War lines of

<sup>6</sup> See President Woodrow Wilson’s Address to Congress, April 2, 1917, available at <[http://wwi.lib.byu.edu/index.php/Wilson%27s\\_War\\_Message\\_to\\_Congress](http://wwi.lib.byu.edu/index.php/Wilson%27s_War_Message_to_Congress)> (accessed September 26, 2011). See also Jeremi Suri, *Liberty’s Surest Guardian: American Nation-Building from the Founders to Obama* (New York: Free Press, 2011).

<sup>7</sup> See Robert McMahon, *The Limits of Empire: The United States and Southeast Asia since World War II* (New York: Columbia University Press, 1999); Jeremi Suri, *Power and Protest: Global Revolution and the Rise of Détente* (Cambridge, MA: Harvard University Press, 2003), 131–63; Suri, *Liberty’s Surest Guardian*, 11–46.

<sup>8</sup> For a thoughtful analysis of American struggles with contradictory aims in the Cold War, see Melvyn P. Leffler, *For the Soul of Mankind: The United States, the Soviet Union, and the Cold War* (New York: Hill & Wang, 2007).

division no longer made as much sense. The global “shock” of the 1970s had lasting effects that historians have only begun to examine.<sup>9</sup>

Despite these fundamental shifts, the four foundational Cold War ideas continued to exert a strong hold on American strategic thinking. Presidents as diverse as Richard Nixon, Jimmy Carter, and George H. W. Bush returned repeatedly to them. Policy planners relied, almost instinctively, on the lessons of the early Cold War. The ideas that shaped the years after 1945 acquired a staying power that they still have not lost. In many ways, President Barack Obama has reaffirmed this conventional wisdom.

### What are ideas? Why do they matter for policy?

Collective security, free trade, solvency, and democracy are ideas. They are attitudes, aspirations, and ideal types whose complex practices never match their simple definitions. As ideas, each is based on assumptions that no one can falsify. You either believe in the first principles of each claim, or you do not. Does collective security really make everyone safer? Does free trade really increase prosperity? Are financially solvent societies really more successful than those that are less constrained by economic needs at home? Are democracies really more peaceful?

Most social scientists would respond affirmatively to each of the above questions, but none of us can actually prove our answers, beyond a series of cases selected to demonstrate what we already think. Certainly, if asked these questions in, say 1938, many Americans would answer differently from citizens in 2012. Answers vary with context, and the assumptions that a particular context promotes.

The emergence of an international consensus on collective security, free trade, solvency, and democracy during the Cold War was not preordained. It was, of course, challenged by the Soviet Union and others. Americans never supported these ideas as strongly or as globally before the Second World War. The new consensus was manufactured by elites in Washington and other Western capitals, and it was promoted actively by the United States government from Franklin Roosevelt’s presidency to the present. With historical hindsight, spreading this American dream was the most successful thing that Washington did in the second half of the twentieth century.

<sup>9</sup> On the “shocks” of the 1970s, see Niall Ferguson, Charles S. Maier, Erez Manela, and Daniel J. Sargent (eds.), *The Shock of the Global: The 1970s in Perspective* (Cambridge, MA: Harvard University Press, 2010); Bruce J. Schulman and Julian E. Zelizer, *Rightward Bound: Making America Conservative in the 1970s* (Cambridge, MA: Harvard University Press, 2008).

This argument requires a few caveats. The consensus on collective security, free trade, solvency, and democracy was not hegemonical, in ways that many scholars use the term. Other contrary ideas—communism, Keynesianism, import-substitution, environmentalism, even enlightened authoritarianism—continued to challenge these propositions into the present day. Although the application of these ideas in the Cold War correlates with relative peace and expanding prosperity in many parts of the world, it surely does not mean that they are the “correct” ideas, or that they have some special purchase on the “truths” of history. Just as these ideas looked suspect to many well-informed observers in 1938, they may appear wrong-headed again in the future. The American-supported consensus on collective security, free trade, solvency, and democracy did not mark an “end of history.”

To say that these ideas contributed to American successes, as they did, is not to say that these ideas or their promoters “won” the Cold War. Ideas do not win or lose wars any more than they win or lose political debates. Collective security, free trade, solvency, and democracy helped Americans to take advantage of unique opportunities and deflect dangerous challenges in the second half of the twentieth century. The application of these ideas, in the peculiar circumstances of the time, enhanced American power with manageable costs. The promotion of these ideas, by a select group of leaders, served American interests, as well as the interests of America’s closest allies.

The foundational ideas behind American Cold War policies were well matched to the capabilities and desires of the American people. The ideas were practical and they resonated with popular fears and demands after 1945. More than anything, that is what made the Cold War a sustainable struggle for an American society notoriously fickle in its international commitments. The match between circumstances and ideas allowed the United States to maintain a consistent and successful Cold War grand strategy.

Grand strategies are built on ideas that serve a purpose in a particular historical epoch. Grand strategies are always dreams promoted for national gain. They rarely endure for more than a few decades, as American leaders have learned in the early troublesome years of the twenty-first century.

## **Collective security**

Before the Second World War, Americans had never accepted the idea of collective security. As C. Vann Woodward famously explained, citizens of the United States presumed that they would benefit from “free security”—separation from European great power politics, abundant land and resources, and national self-reliance without dependence on foreign assistance.



The United States would not tie its security to any collective multinational arrangements; it would protect itself and promote its interests unilaterally.<sup>10</sup>

American foreign policy developed with precisely these assumptions during the nineteenth and early twentieth centuries. In the formulation of the Monroe Doctrine, Secretary of State John Quincy Adams rejected any coordination with Great Britain, choosing a strong and unilateral American statement instead. In 1899 and 1900, Secretary of State John Hay's famous Open Door Notes rejected a collective imperial enterprise in Asia, demanding space for free and equal efforts by different nations seeking access to the China Market. Even President Woodrow Wilson, the first major American advocate of collective security, refused to make the United States an official ally of Great Britain, France, and Italy in the First World War. Wilson proclaimed that Americans would maintain their traditional independence as they joined the European soldiers on the battlefields; the United States remained only an "associate power." The US Senate's rejection of the Paris Peace Treaty, and the League of Nations in particular, reaffirmed the American aversion to serious collective security efforts.<sup>11</sup>

The Second World War marked a fundamental shift in American thinking. Fighting fascist powers on two fronts in the wake of a debilitating economic depression, Americans realized that they could no longer go it alone. They needed collective responses to common threats. They needed partners and alliances. They even needed to compromise with communist figures, like Soviet dictator Josef Stalin. The Grand Alliance in the Second World War was the first serious American experience with collective security.<sup>12</sup>

The entire ethos of the New Deal was about building collective capacities— at home and abroad—where they had not existed before. The alphabet agencies created in somewhat chaotic fashion by President Roosevelt did one thing in common: they pooled government resources and they mobilized citizens to address economic dislocations in a cooperative spirit. They transformed a free market society with a very small federal government into a much more regulated and purposely interconnected community of peoples, working together as they had not done before.<sup>13</sup>

<sup>10</sup> C. Vann Woodward, "The Age of Reinterpretation," *American Historical Review*, 66 (October 1960), 1–19.

<sup>11</sup> On these and related American efforts to promote national interests and reject collective security, see Walter McDougall, *Promised Land, Crusader State: The American Encounter with the World since 1776* (New York: Houghton Mifflin, 1997); George Herring, *From Colony to Superpower: US Foreign Relations since 1776* (Oxford: Oxford University Press, 2008).

<sup>12</sup> See Robert Divine's classic work, *Second Chance: The Triumph of Internationalism in America during World War II* (New York: Atheneum, 1967).

<sup>13</sup> See, among many others, Jason Scott Smith, *Building New Deal Liberalism: The Political Economy of Public Works, 1933–1956* (New York: Cambridge University Press, 2005).

As David M. Kennedy and other historians have shown, this New Deal spirit carried into the fighting of the Second World War and the postwar order. In 1945, unlike in 1919, Americans were more comfortable with collective security than ever before. Collective action and cooperative deliberation had, over the course of the previous decade, become part of “normal” politics. Franklin Roosevelt’s enduring popularity was, above all, his embodiment of this perspective.<sup>14</sup>

The American commitment to collective security at the end of the Second World War endured throughout the Cold War. If anything, historians have underestimated this attitudinal continuity, and overemphasized a break in the origins of the Cold War. American policies were much more expansive after 1945, and they addressed many new challenges (especially nuclear weapons), but they grew from an ideological seedbed planted a decade before.

Melvyn Leffler and others have pointed to the fears of a postwar depression that motivated policymakers in the Cold War. Strategies of preponderant power, designed to insure economic sustenance, were also strategies of collective action to insure against the isolation of American society and the growth of external challengers. For the generation that lived through the 1930s and the 1940s, it was obvious that “saving capitalism” meant building cooperative institutions that enhanced, but also committed, American power. The United Nations, the International Monetary Fund, and the World Bank were international expressions of this New Deal attitude. American support for the European Reconstruction Program (the Marshall Plan), the European Coal and Steel Community, and similar reconstruction and integration efforts in Asia, were productive spillovers of the newfound emphasis on collective security. American support for these institutions—each and every one of them—was unthinkable in the previous decades of “free security.” Its support, often at great cost to a still precarious postwar economy, committed the country to the common advancement of its foreign allies as never before.<sup>15</sup>

Cold War containment doctrine and its foremost practitioners embodied collective security as well. In rejecting all-out warfare or traditional negotiations with adversaries, George Kennan’s original ideas called for a unified “Western” anti-communist stand against Soviet expansion. Kennan

<sup>14</sup> See David M. Kennedy, *Freedom From Fear: The American People in Depression and War, 1929–1945* (Oxford: Oxford University Press, 1999).

<sup>15</sup> See Melvyn Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford, CA: Stanford University Press, 1992). See also Geir Lundestad, “Empire” by Integration: *The United States and European Integration* (Oxford: Oxford University Press, 1998); G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars* (Princeton, NJ: Princeton University Press, 2001), chapter 6; Elizabeth Borgwardt, *A New Deal for the World: America’s Vision for Human Rights* (Cambridge, MA: Harvard University Press, 2005); Paul Kennedy, *The Parliament of Man: The Past, Present, and Future of the United Nations* (New York: Random House, 2006).

counseled, above all, for reconstruction, cooperation, and coordination between the United States, Great Britain, West Germany, Japan, and others. He sought to create a collective deterrence that would restrain and slowly demoralize the enemy. He also expected that an impressive collective Western posture would attract adherents who initially showed communist leanings. Josip Broz Tito of Yugoslavia, and his 1948 break-up with Stalin, was Kennan's primary example of this phenomenon.<sup>16</sup>

Kennan's successors—Paul Nitze, Dean Acheson, John Foster Dulles, Henry Kissinger, Zbigniew Brzezinski, and Brent Scowcroft—greatly expanded the global reach of containment, but they remained true to the reliance on collective deterrence in combating communist advances. Containment gave the United States an international leadership role, but it demanded multilateral action. By the middle of the Cold War, this motivated the United States to finance and defend a series of undemocratic regimes in Asia, Africa, and Latin America. Although these regimes were often a clear affront to American values, they promised to support collective responses to Soviet, Chinese, and Cuban interventions. Perversely, Washington's obsession with collective responses to communism motivated support for brutal authoritarians, including Syngman Rhee, Ngo Dinh Diem, the Shah of Iran, and Augusto Pinochet, among many others.

By the 1960s critics on the political Left and Right longed for a return to the moral simplicity of "free security." When Americans acted alone, they did not have to make deals with devilish figures, they did not have to compromise their values for the sake of security, and they did not have to defend faraway regimes. Integrated into a world of collective institutions, Americans lost their independence, their moral clairvoyance, and their ethical exceptionalism. The United States made the kinds of *Realpolitik* compromises familiar to other great powers in prior eras. This phenomenon showed the dynamism of American foreign policy, but it never sat well with idealists (especially scholars) at home and abroad.<sup>17</sup>

Despite the criticisms of the United States, especially in the aftermath of the Vietnam War, collective security contributed to Washington's enduring strength throughout the Cold War. The United States nurtured a series of alliance relationships, particularly in Europe and East Asia, that provided necessary resources, ingenuity, and popular support for containing communist advances. Cooperative institutions, like the United Nations and the International Monetary Fund, helped to manage collaboration between the United

<sup>16</sup> See John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War*, revised edition (New York: Oxford University Press, 2005), chapters 2–3.

<sup>17</sup> See Suri, *Power and Protest*, chapters 3 and 5.

States and other nations, forestalling potential political and economic crises. Most important, collective security contributed to transnational and interpersonal familiarities that motivated many of America's harshest critics to see a common purpose in supporting US programs. The American commitment to collective security gave Washington a clear "soft power" advantage over Moscow.

Ironically, the individualistic sensibility of the United States in the Cold War supported more effective collective security measures than the communal ethic of the domineering Soviet leadership. Soviet collectivism looked like imposition and tyranny to many allies. Who would have guessed that capitalists were better international collectivists than communists?

## Free trade

Along with collective security, the United States pursued global free trade after the Second World War on an unprecedented scale. This did not mean a complete elimination of trade tariffs, even within the United States. It did, however, mark a new commitment to the denationalization of economic production. In combating an anti-capitalist enemy that sought central control over all means of production, Americans made the remarkable decision to spread production capabilities to the largest number of possible places around the globe. From the Marshall Plan and Point Four, to the growth of foreign direct investment in the 1980s, this is what Americans really meant by "development": the creation of a global industrial workshop that would manufacture goods (and knowledge products) with true comparative advantage.<sup>18</sup>

Despite prior invocations of free trade, this was a radical idea in its time. Until 1945, most Americans presumed that national strength required a centering of big industry within the United States. Many foreign counterparts thought in similar terms. Foreign markets for resource extraction and the sale of finished products were a traditional goal, but production remained largely homebound. Profits accrued most directly to the domestic producers, not the foreign resource suppliers or consumers. This was the model for the "imperialism of free trade" that, according to Ronald Robinson and John Gallagher, fueled the wealth of the Victorian British Empire. This was also the economic

<sup>18</sup> On this general argument, and its connection to the end of the Cold War, see Stephen G. Brooks, *Producing Security: Multinational Corporations, Globalization, and the Changing Calculus of Conflict* (Princeton, NJ: Princeton University Press, 2005).

model that J. A. Hobson and Vladimir Lenin had in mind when they penned their famous criticisms of capitalist exploitation.<sup>19</sup>

The Cold War transformed capitalism. It globalized production, with direct American support. For the first time, the United States invested heavily in factories and other industrial capacity in distant countries—first Western Europe and Japan, then South Korea, Taiwan, and other emerging economies. Through the International Monetary Fund and the World Bank, the United States and its allies also created an international lending system to encourage local investments in production, and the associated laws of contract, property, and exchange that would fuel capitalist development. Instead of rival empires, American-sponsored free trade created one common system of exchange. According to the Bretton Woods System, and its successors, the dollar became the reserve currency of the world, the guarantor of value in production and exchange across diverse territories.<sup>20</sup>

The spread of dollars through free trade had advantages and disadvantages for Washington. It gave the United States an ability to generate liquidity for investment, especially after 1971, when President Richard Nixon ended convertibility to gold. Since foreign countries held dollars in reserve, the United States could print more, and finance debt, at reduced cost. In return, however, Washington was constrained by the need to exchange its dollars for valuable goods and specie, on demand from foreign holders. As Americans spent more on bases and businesses in Europe and Asia during the 1960s, the country risked a shortage of its own money to cover its growing costs. Policymakers feared the political consequences of pulling their money out of allied economies, but they also confronted ever-growing shortfalls that demanded deficit spending on a scale unprecedented, by the 1970s, for the United States in peacetime. The dollarization of a global free trade economy opened the world, including the United States, to new dependencies.<sup>21</sup>

Despite the obvious wealth creation, free trade required real sacrifices that Americans, among others, endured in the Cold War. Americans had never accepted these sacrifices before. In particular, the United States reduced its tariffs on foreign-produced goods to historical lows, lifting the long-standing protections that the federal government had maintained, until the 1930s, to

<sup>19</sup> See John Gallagher and Ronald Robinson, "The Imperialism of Free Trade," *The Economic History Review*, Second series, 6:1 (1953); J. A. Hobson, *Imperialism: A Study* (1902), available at <<http://www.marxists.org/archive/hobson/1902/imperialism/index.htm>> (accessed June 3, 2011); Vladimir Lenin, *Imperialism: The Highest Stage of Capitalism* (1917), available at <<http://www.marxists.org/archive/lenin/works/1916/imp-hsc>> (accessed June 3, 2011).

<sup>20</sup> See David Reynolds, *One World Divisible: A Global History since 1945* (New York: W. W. Norton, 2000), especially chapter 14; Barry Eichengreen, *Globalizing Capital: A History of the International Monetary System*, 2nd edition (Princeton, NJ: Princeton University Press, 2008), chapters 4–5.

<sup>21</sup> See Francis J. Gavin, *Gold, Dollars, and Power: The Politics of International Monetary Relations, 1958–1971* (Chapel Hill, NC: University of North Carolina Press, 2006); Eichengreen, *Globalizing Capital*, chapters 4–5.

subsidize domestic industry. For more than a century, Washington had relied on very large tariffs to finance the federal budget and to support internal development. For the sake of spreading production and wealth, and combating communism, Americans quickly reversed this equation. With reduced industrial tariffs, US companies faced more intensive foreign competition in their own markets, US workers often lost their jobs to foreign counterparts, and the permanent burden for financing growing federal expenditures shifted decisively from tariffs to personal income taxes. Yes, Americans agreed to pay more taxes for a high production–high consumption world of free trade in the Cold War.<sup>22</sup>

Initially after the Second World War the United States imported inexpensive products, but by the 1960s free trade meant that cars, appliances, and high-end machinery arrived from abroad. Americans became global importers, as well as exporters. They contributed to a new capitalist trading system that greatly increased the circulation of goods, reduced prices through increased competition, and spread wealth across the globe. The countries that opened themselves to new production possibilities after the Second World War, with American assistance, became much wealthier than before. Those that resisted free trade remained poor until they eventually became free market producers themselves. China and India are prime examples of free trade latecomers who have achieved new prosperity.<sup>23</sup>

The striking exception that proves the rule is the agricultural sector of the American economy, where politically powerful farm states managed to maintain high tariffs to protect their crop values. A similar process took shape in Western Europe, Japan, and other industrial democracies. As a consequence, industrial trade and growth far exceeded agricultural trade and innovation during the Cold War. American-sponsored free trade brought computer chip factories to Japan and software production centers to India, but it kept agriculture more rooted in traditional territories. The gross inefficiencies in food production and distribution in the twenty-first century are a result of this exception to the free trade trend of the Cold War.<sup>24</sup>

Global free trade did not necessarily remove the harsh edges from capitalism. In some senses, it exacerbated divisions between rich and poor. Most crucial, however, American-supported efforts to spread capitalist production also spread wealth and empowered new groups of entrepreneurs in numerous

<sup>22</sup> See James T. Sparrow, *Warfare State: World War II Americans and the Age of Big Government* (New York: Oxford University Press, 2011).

<sup>23</sup> See Reynolds, *One World Divisible*; Ezra F. Vogel, *Deng Xiaoping and the Transformation of China* (Cambridge, MA: Harvard University Press, 2011), especially 377–714.

<sup>24</sup> For an introduction to these very complex agricultural trade and production issues, see Bill Winders, *The Politics of Food Supply: US Agricultural Policy in the World Economy* (New Haven, CT: Yale University Press, 2009).

societies. Free trade was a dynamic system of “creative destruction,” in Joseph Schumpeter’s terms, that undermined efforts at central control by various political elites. Although free trade often hurt American workers who lost jobs to overseas factories, it increased consumption and encouraged innovation. Free trade economies were not more fair, but they were more dynamic than their counterparts.<sup>25</sup>

The United States did not “win” the Cold War because, as Schumpeter predicted, the development of free trade capitalism was mixed, contradictory, and ever changing. With global competition, the United States economy became more efficient and innovative, but also more susceptible to foreign “shocks” (like the oil shortages of the 1970s) and the comparative advantages of other societies (especially the low labor costs in Asia.) Free trade assured that basic American assumptions about economic growth, market exchanges, and private property would spread. Free trade undermined communist authoritarianism. It was an idea, however, that continued to elicit mixed opinions among Americans. In this controversial context, Washington’s consistent and unprecedented support for free trade throughout the Cold War is quite remarkable—and deserving of more attention from historians.

### Solvency

The United States came out of the Second World War with more resources and capabilities than any other society. In a reversal of its position at the start of the twentieth century, the United States was now the largest creditor to the world, controlling the flow of capital to favorable investors. It also produced more than most of its peers combined. The possibilities for American economic dominance were truly unprecedented.<sup>26</sup>

The devastation of the war destroyed most competitors. It left America’s chief rival, the Soviet Union, in an especially weak economic position. The challenge for the United States was not asserting global predominance, but instead managing the multiplication of foreign obligations and commitments. As never before, Washington found itself occupying and rebuilding societies in Europe and Asia. American forces remained deployed across the globe. Most significant, American aid flowed to all continents, on a scale

<sup>25</sup> See Joseph A. Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper, 1975), especially 82–5, available at <<http://transcriptions.english.ucsb.edu/archive/courses/liu/english25/materials/schumpeter.html>> (accessed June 3, 2011).

<sup>26</sup> See Mira Wilkins, *The History of Foreign Investment in the United States, 1914–1945* (Cambridge, MA: Harvard University Press, 2004); Thomas J. McCormick, *America’s Half-Century: United States Foreign Policy in the Cold War and After*, 2nd edition (Baltimore, MD: Johns Hopkins University Press, 1995).

unimaginable before—especially for a generation that came of age in the austerity of the Great Depression. America's economic dominance was still insufficient for the demands of postwar global reconstruction.<sup>27</sup>

Doing so much in so many places, Americans struggled to cover the costs. Budgeting was a challenge for policymakers throughout the Cold War. As John Lewis Gaddis has shown in his seminal work on the history of containment doctrine, the tension between the ever-growing demands on the United States and the consistent constraints on available resources drove debates about strategy. In a recurring cycle, one presidential administration sought to expand available resources with additional flexibilities; its successor tried to correct for overspending and overcommitment through retrenchment policies that limited expenses. The next administration then reverted to more costly efforts, and the cycle alternating between expansion and retrenchment continued. Budgets cycles in the Cold War drove strategy as much as foreign threat perceptions.<sup>28</sup>

Scholars have argued that President Dwight Eisenhower was somewhat successful in the 1950s, holding the line on what he described as a creeping “garrison state” if the United States continued to spend too much on foreign aid and defense. The president feared that excessive foreign commitments would undermine domestic growth. Despite his own military background, he believed that a “free society” had to limit the peacetime presence of the American military, and its associated institutions. High military spending was inefficient, wasteful, and unsustainable in Eisenhower's view. The United States had to adjust its foreign commitments accordingly.<sup>29</sup>

The “New Look” strategy of the 1950s sought to reduce the global American footprint and rely on technology, especially nuclear weapons, to project power on the cheap. Even this disciplined strategy, however, fell prey to continued pressures for increased American spending to combat communism and assure stability in places as distant as South Korea, Vietnam, Lebanon, and the Congo. The United States found that maintaining the technological edge in nuclear weapons and other technologies was very expensive—much more so than Eisenhower expected.<sup>30</sup>

<sup>27</sup> On this point, see Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Random House, 1987), 357–95.

<sup>28</sup> See Gaddis, *Strategies of Containment*.

<sup>29</sup> See Robert R. Bowie and Richard H. Immerman, *Waging Peace: How Eisenhower Shaped an Enduring Cold War Strategy* (New York: Oxford University Press, 1998); Campbell Craig, *Destroying the Village: Eisenhower and Thermonuclear War* (New York: Columbia University Press, 1998).

<sup>30</sup> The classic analysis of this dynamic toward military expansion, despite Eisenhower's limiting efforts, is David Alan Rosenberg, “The Origins of Overkill: Nuclear Weapons and American Strategy,” in Norman Graebner (ed.), *The National Security: Theory and Practice, 1945–1960* (New York: Oxford University Press, 1986), 123–95.



By the end of the 1950s the United States had what the president himself recognized as an emerging “military–industrial complex,” built under his watch, and entangling the country in arms races and other international dynamics that constrained policy options. Cold War expenditures continued to grow, and the United States could not return to the more restrained and economical strategic posture that fiscal conservatives, like Eisenhower, demanded. Budget cycles bounced between periods of plenty and moments of austerity, but overall spending on foreign and defense activities increased.<sup>31</sup>

American leaders never mastered this dynamic, but they learned to live with it. The big spenders—John F. Kennedy, Lyndon Johnson, and Ronald Reagan—remained attentive to certain limits. They tried to cut costs where they could, and they continued to rely upon the domestic tax base for financing foreign policy expenditures. The budget cutters who feared the smothering effect of a “garrison state”—Harry Truman and Dwight Eisenhower, in particular—continued to spend unprecedented resources on expansive military, economic, and political commitments abroad. As they pinched pennies, Truman and Eisenhower built the nuclear arsenal, with “overkill” capabilities, that became the foundation for American Cold War strategy.<sup>32</sup>

The big spenders and the budget cutters similarly balanced growing commitments with vigilance about long-term resource capabilities. They were attentive to maintaining American solvency—the ability of the United States to assure its foreign security without undermining its domestic dynamism. They each found a way to pursue “guns and butter” with reasonable success.<sup>33</sup>

This balance between expanding commitments and continued solvency was the greatest source of American strength in the Cold War. It gave Washington the opportunity to recover from mistakes, to adjust to external changes, and to outlast adversaries. This was not a necessary outcome, as anyone who has studied the history of great powers knows. Large resource bases are never sufficient for growing demands. Managing resources to meet foreign commitments without short-changing necessary domestic investments—that is the most difficult challenge confronting any internationally active country. It was a challenge multiplied many times over by America’s superpower status in the Cold War.

The United States had no formula for addressing this challenge. It had no tried and true model. Some observers, like historian Paul Kennedy, believed

<sup>31</sup> See Gaddis, *Strategies of Containment*, chapter 6.

<sup>32</sup> On this last point, see Michael J. Hogan, *A Cross of Iron: Harry S. Truman and the Origins of the National Security State, 1945–1954* (New York: Cambridge University Press, 1998).

<sup>33</sup> See Aaron L. Friedberg, *In the Shadow of the Garrison State: America’s Anti-Statism and its Cold War Grand Strategy* (Princeton, NJ: Princeton University Press, 2000); Douglas T. Stuart, *Creating the National Security State: A History of the Law that Transformed America* (Princeton, NJ: Princeton University Press, 2008).

that growing American commitments and stagnant budget cycles indicated the United States was, by the 1980s, a country approaching diminishing returns.<sup>34</sup> Of course, Kennedy's forecast underestimated the dynamism and discipline that kept American society solvent. Even Ronald Reagan, in the early hawkish years of his presidency, spent far less on the military (as a proportion of gross domestic product) than his predecessors in the 1950s. He also spent far less, proportionally, than his Soviet counterparts.<sup>35</sup>

Examining the history of the Cold War one must say that the nation's leaders preserved American solvency, despite many pressures. They did it because it remained an idea they never forgot, a guidepost they returned to in every moment of strategic re-evaluation. Election cycles also helped, bringing budgetary issues to public attention and forcing leaders to explain how their strategies preserved national solvency. Every Cold War president had to sell his strategy, at home and abroad, as affordable and sustainable.<sup>36</sup>

Most great powers are not solvent over the course of a half-century. American solvency was driven by a powerful belief that it mattered, that a vibrant democracy could not leverage its future to fight present-day enemies. Major investments in infrastructure, education, and social welfare programs served short-term needs, but they also reflected a remarkable American commitment to prepare for the future. Drawing on the limited legacy of the New Deal, Cold War policies helped to build the roads, the universities, and the basic programs for human needs in the United States. That was a key part of solvency—expanding capital along multiple dimensions.

The power of solvency as an idea is illustrated best by its striking absence in the early twenty-first century. The term dropped from American strategy around 2000. Reaction to threats and opportunities replaced attention to long-term elements of financial and social health. The United States took on enormous new commitments—including two major wars—without any public discussion of costs, resources, and alternative needs. The War on Terror, unlike the Cold War, was not framed around the basic questions of solvency: How much can we afford? What are our resource limits? What are the necessary sacrifices?<sup>37</sup>

These questions animated every major re-evaluation of Cold War strategy. The neglect of these questions in the early twenty-first century removed policy

<sup>34</sup> Kennedy, *The Rise and Fall of the Great Powers*, 347–535.

<sup>35</sup> See the excellent recent dissertation: James Graham Wilson, "Bolts from the Blue: The United States, the Soviet Union, and the End of the Cold War," PhD dissertation, University of Virginia, 2011.

<sup>36</sup> See Friedberg, *In the Shadow of the Garrison State*; Julian Zelizer, *Arsenal of Democracy: The Politics of National Security from World War II to the War on Terrorism* (New York: Basic Books, 2009).

<sup>37</sup> For a striking examination of American inattention to solvency and cost-benefit analysis, see John Mueller, *Overblown: How Politicians and the Terrorism Industry Inflate National Security Threats, and Why We Believe Them* (New York: Free Press, 2006).

discipline and encouraged unrealistic thinking. Inattention to solvency contributed to an intellectual shallowness that was not present before.

### Democracy

Americans have always thought about their foreign policy as an extension of their democracy. The earliest statement of US foreign policy doctrine, George Washington's Farewell Address of 1796, made precisely this point. From Washington through the Cold War, Americans believed that the ultimate purpose of their actions was to expand the virtues of a free society. Until the Cold War, the United States generally pursued the spread of democracy overseas by non-military means—especially commerce, culture, and diplomacy.<sup>38</sup> After 1945, however, American leaders married much more military power to this long-standing process. During the Cold War the United States pursued a very muscular form of democratization, with an emphasis on intervention as much as local development.<sup>39</sup>

The faith that distant and diverse societies would want to embrace the “American way of life” undermined isolationist impulses. Figures like Republican Senator Robert Taft, who doubted the effectiveness of foreign democratization, received little heed as Americans came to believe they had the power to spread their political vision with few limitations. In addition, the feared expansion of communism raised the stakes for those who believed the United States had to support and promote an alternative model. Even for a leader skeptical of foreign interventions, like President Dwight Eisenhower, the risk of Soviet infiltration in Asia, Africa, and Latin America drove a desire to build strong democracies as a necessary bulwark. Democratization in the Cold War was not idealistic; it was a form of communist containment.<sup>40</sup>

For Western Europe and Japan, Cold War democracy provided a foundation for peace, prosperity, and reintegration into the global economy, with extensive American support. Despite the history of fascism and genocide in these regions, the imperative to build democracy encouraged forward-looking efforts at constitution writing, popular political participation, and protection

<sup>38</sup> See the classic work by Felix Gilbert: *To the Farewell Address: Ideas of Early American Foreign Policy* (Princeton, NJ: Princeton University Press, 1961). See also Suri, *Liberty's Surest Guardian*, 11–46.

<sup>39</sup> See Tony Smith, *America's Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century* (Princeton, NJ: Princeton University Press, 1994); Douglas J. Macdonald, *Adventures in Chaos: American Intervention for Reform in the Third World* (Cambridge, MA: Harvard University Press, 1992).

<sup>40</sup> See John Lewis Gaddis, *The Cold War: A New History* (New York: Penguin, 2005), 5–47; William Hitchcock, *The Struggle for Europe: The Turbulent History of a Divided Continent, 1945–Present* (New York: Random House, 2003), 13–97.

for the rule of law. These were the success stories of postwar nation building.<sup>41</sup>

South Korea and Taiwan evaded similar democratizing efforts for the first years of the Cold War, largely because of American dependence on dictatorial figures. By the late 1950s, however, the United States pushed for democratization in these countries as well. For all its tragedies, American policies in the Cold War seeded an impressive string of new democracies that prospered, cooperated, and ultimately defined the last decades of the twentieth century. This was a set of achievements that the communists could not match.<sup>42</sup>

The American record was, of course, much less favorable in other parts of Asia, as well as most of Africa and Latin America. In these regions the United States failed to follow through on its democratic aspirations. The problem was not lack of effort. In countries like Vietnam, Indonesia, Iran, and Chile, Washington invested enormous resources in the transformation of politics and economy. Many of America's best minds devoted their careers to "development" and "modernization" in the "Third World."

The American failure was a failure of imagination. The United States presumed that democracy had to follow the American model and that it had to exclude those voices deemed traitorous and threatening, especially if they included communist influences. The mix of American-style institutions and anti-communist injunctions in poor, fragmented, and conflict-ridden societies produced outcomes that contradicted democratic purposes. The real problem was that many societies were ready for democratization after decades of empire, but American ideas of democracy were not ready for the complexities of these societies.<sup>43</sup>

History did not follow a simple script. American ideas of democracy transformed the world in the Cold War, setting a standard for political legitimacy that most societies would accept, at least in rhetoric, by the end of the twentieth century. These ideas contributed to remarkable peace and prosperity in Western Europe and East Asia. These same ideas, however, undermined peace and prosperity—often with very deadly results—in other regions. Americans were serious about democracy in the Cold War, but they were often naïve and self-defeating in their understanding of what it required beyond their borders.<sup>44</sup>

<sup>41</sup> See Thomas Alan Schwartz, *America's Germany: John J. McCloy and the Federal Republic of Germany* (Cambridge, MA: Harvard University Press, 1991); John W. Dower, *Embracing Defeat: Japan in the Wake of World War II* (New York: W. W. Norton, 2000); Suri, *Liberty's Surest Guardian*, 124–64.

<sup>42</sup> See Gregg Brazinsky, *Nation-Building in South Korea: Koreans, Americans, and the Making of Democracy* (Chapel Hill, NC: University of North Carolina Press, 2007).

<sup>43</sup> The literature on American failures to spread democracy in the "Third World" is enormous. For a start, see Latham, *The Right Kind of Revolution*; Westad, *The Global Cold War*, especially chapters 5–9.

<sup>44</sup> On this point, see Suri, *Liberty's Surest Guardian*, 165–209.

### Which ideas mattered and why

American foreign policy could have taken many alternative turns in the Cold War. Based on the nation's history, one would have expected fewer international commitments and more of an inward focus. Many factors—including the very real threats posed by the Soviet Union—explain America's unprecedented Cold War path. The point of this chapter is not to privilege ideas above other influences, but to show that four particular ideas contributed to remarkably consistent policies that served American interests quite well.

There were, of course, many other ideas that floated around Cold War policy discussions. Many of these other ideas were superficial, self-serving, and even stupid. Some caused great harm. The bad ideas, however, should not dominate the study of a much richer Cold War strategic landscape.

The four ideas that gained the most traction across the period, and provided continual value for policymakers, were not superficial, self-serving, or stupid. They were, in fact, profound, courageous, and far-seeing. The ideas were concise and enduring, as well as radical and relevant for the problems at hand. American leaders had many choices, and these ideas helped them to choose.

Collective security, free trade, solvency, and democracy became guideposts for American policy. They helped to create public confidence in security and prosperity after more than a decade of depression and war. These ideas also served the interests of many non-Americans who embraced them as never before. The ideas did not “win” the Cold War, but they gave great advantage to one side.

As Americans quite naturally drifted from these ideas after the Cold War—rejecting, at least temporarily, collective security and solvency—they faced new questions about meaning and effectiveness. What was the new American strategic vision? How could Americans achieve it?

Answering these questions does not require a return to the old canonical Cold War concepts. The task is to articulate ideas that are relevant for the challenges of the time. As was the case more than sixty years ago, grand strategies are built on ideas that serve a purpose in a particular historical epoch. New ideas will set the strategies that ultimately define the twenty-first-century world.

## 6

# The Cold War and Its Legacy

*Vladimir O. Pechatnov*

The new Cold War history started out with several broad generalizations and very little documentary research. With the opening of archives, historians naturally plunged into empirical studies, putting generalizations aside. The search for new documents and details will no doubt continue, but there is already enough evidence and empirical research accumulated to put our microscopes aside and go back to a broader picture of Cold War origins, development, and legacies. Another vantage point for a broader view is the simple fact that enough time has elapsed since the end of the Cold War to discern what has changed in East–West relations, and what has not, and thus come to a better understanding of what the Cold War was about. There have been already some attempts at a new synthesis, most famously John Gaddis's book about what we know now.<sup>1</sup> But—as seen by the very mixed reaction to it—the argument is far from over. This chapter is a modest contribution to that task. Its focus is on the origins, some consequences, and legacies of the Cold War.

We are all familiar with the main interpretations of the Cold War origins and development which are around both in Russia and the world at large: an ideological school, which sees the Cold War primarily as a clash of ideologies, of two opposite models of social development, or two giant projects of social progress; a realpolitik school, which describes the Cold War as a peculiar—bipolar—phase of great power competition, driven mostly by the conflicting geopolitical interests of the two rivals; finally, a cultural determinism school, that sees the Cold War as a chapter in the long struggle of civilizations between Orthodox, authoritarian, collectivist Russia, and a liberal, individualistic, Catholic/Protestant West. In the author's view, the Cold

<sup>1</sup> John L. Gaddis, *We Now Know: Rethinking Cold War History* (Oxford: Clarendon Press, 1997).

War was about all of the above—a messy mixture of ideology, geopolitics, and culture which mutually reinforced each other. In general, most of the complex phenomena in history are messy multi-factor developments that cannot be reduced to a single explanation. Nor can we provide an exact measurement of each of those factors, or their hierarchy, since in each specific case it may have been different depending on the complex interplay of external and indigenous factors. In the highly personalized Soviet system, the nature of leadership was a critical variable: Stalin's strategy was heavily geopolitical, while Khrushchev was more of a revolutionary romantic, and Brezhnev a cautious pragmatist. On the US side, ideology was correlated with the ups and downs of the American empire—each retrenchment being accompanied by a lack of messianic pretensions.

Realpolitik and geopolitics were essential, especially in the wake of the Second World War, which left only two great powers and many power vacuums between them in strategically important areas of Central and Eastern Europe, the Far East, Northern Asia, and the Near and Middle East. As soon as the cementing threat from the common enemy disappeared, the competition for influence over those areas began in earnest, destroying the Big Three alliance from within. For American and British planners, the Soviet Union, with its hostile ideology and huge military capability, became the next logical candidate after Nazi Germany for the role of Eurasian hegemonic power—an emergence of which the US and its allies tried to prevent in two world wars. For the Soviet Union, the American-led Western bloc aimed at depriving it of the well-deserved fruits of great victory and, ultimately, its destruction. The Soviet geopolitical aims in the wake of the Second World War included a buffer zone of pro-Soviet states on the western borders (as they were in 1941), an enfeebled Germany and Japan, regaining Tsarist possessions in the Far East, and acquiring a controlling influence over the Black Sea straits and strongholds in the Mediterranean via trusteeship over former Italian colonies. Stalin also planned to create a Soviet enclave in Northern Iran to cover the USSR's vulnerable southern flank, where most Soviet oil deposits were located. The Soviet efforts of 1945–6 to implement most parts of this program met with stubborn Western resistance, and that led to the serious tension between former allies.<sup>2</sup>

But without the ideological factor, this geopolitical rivalry would have assumed more traditional and restrained forms. The Cold War was not just about geopolitics; it was also a struggle of the two worlds “for the soul of

<sup>2</sup> For a detailed analysis of Stalin's postwar strategic desiderata, see Vladimir O. Pechatnov, “The Soviet Union and the World, 1944–1953” in Melvin P. Leffler and Odd Arne Westad (eds.), *The Cambridge History of the Cold War*, volume 1: *The Origins* (Cambridge: Cambridge University Press, 2010), 90–111.

mankind” (to borrow a line from Melvyn Leffler’s recent book).<sup>3</sup> This is why ideology made the Cold War more intense, global, and dangerous. More global—because both sides believed in the universal nature of their principles and wanted to spread them to the whole world. More intense—because each side believed it had a monopoly on truth and was determined to win. More dangerous—because ideological hostility led to exaggerated suspicions and fears, which in turn pushed both sides to overkill in providing for their security.

The cultural dimension was also a complicating factor. In cultural–civilization terms, Russia has always been a lonely country, torn between East and West, and never truly belonging to either. Ever since the thirteenth century its relationship with the West had been particularly difficult. For Russia, a more prosperous, modern, and technologically advanced West was a cultural and security challenge, a source of many invasions through indefensible western frontiers. For the West, the heart of “the Russian problem”—especially from the nineteenth century—was a combination of huge natural and manpower resources, with an alien authoritarian regime capable of using those resources freely against Western interests. Even the founders of Marxism—Karl Marx and Friedrich Engels—shared this view.<sup>4</sup> Bolshevism served to widen this gap between Russia and the West, to increase Russia’s isolation, and to make its traditional task of defending its vulnerable Eurasian landmass against real and potential enemies even more difficult. The Soviet system aggravated the brutality of Russian culture (in which human life was worth only a kopeck, according to the Russian proverb), while democracy’s advance in the West enhanced human rights and individual dignity. Thus, the cultural gap between Russia and the West widened even further. Bolshevism was also a daring attempt to “catch up with and overtake” the capitalist West in technological development by means of central planning, a nationalized economy, and a one-party state.

To sum up, the Cold War was a confrontation between the two social systems (and power blocs headed by the Soviet Union and the United States) which had geopolitical, ideological, and cultural dimensions, was global in scale, and was conducted by all means short of a major hot war between the two main antagonists. Many other countries were increasingly drawn into it, either by association or by becoming a battleground for that conflict. Some of the Soviet and American allies—like Great Britain, Cuba, and the German Democratic Republic—became important players, sometimes pushing the superpowers further than they would have liked to go themselves. Yet, even

<sup>3</sup> Melvyn P. Leffler. *For the Soul of Mankind: The United States, the Soviet Union, and the Cold War* (New York: Hill and Wang, 2007).

<sup>4</sup> The most explicit exposition is Frederick Engels, *Foreign Policy of Russian Tzardom in Karl Marx, Frederick Engels, Collected Works* (New York: International Publishers, 1995).



during the height of that confrontation, there were neutral and non-aligned states that managed to avoid the maneuvering between Moscow and Washington.

Given all these serious reasons, my own view is that the Cold War was largely inevitable—to the extent there is an inevitability in history. But this seemingly inescapable conflict could have taken different forms. It could have been slightly better and—more likely—much worse. It might have been less confrontational, if both sides had been ready to negotiate and compromise. And, just the opposite: it might have been more catastrophic if either American or Soviet leaders had behaved more irresponsibly, especially during critical Cold War crises fraught with the real danger of a nuclear war.

The rather surprising absence of a major hot war during that conflict was made possible, in part, by the lethal nature of nuclear weapons. They made the arms race more costly, but at the same time, because of their ultimate destructive power, a full-scale war became too suicidal to resort to. Fortunately, leaders on both sides were responsible enough to realize this early on—with a little help provided by several crises, especially the one over Cuba in 1962.

In general, the bipolar world proved to be fairly stable, providing the basis for the postwar world order which some historians even called “the long peace.”<sup>5</sup> There were ups and downs in this competition, caused by internal and external factors; periods of high tension were followed by short-lived *détentes*; “the correlation of forces” shifted from one side to the other; but the basic structure remained more or less the same. The Cold War was immensely costly due to the arms race, wars by proxies, imposition of the Soviet system, and superpower interventions in the Third World (brilliantly analyzed in Odd Arne Westad’s *The Global Cold War*).<sup>6</sup> But this competition also had its benefits, which we may call “positive side effects.” And this is understandable, because very few things in life (and indeed very few people) are entirely bad or entirely good.

*The effect of competition.* This rivalry forced each side to mobilize resources to enhance its attractiveness and competitiveness in order to overtake the main rival and gain new allies. In retrospect, it is hard to imagine that just a half-century ago the Soviet model not only seemed competitive in the Third World, but was also perceived as a serious scientific and technological challenge to the US. This challenge reached its peak in late 1950s and early 1960s, when the post-Stalinist Soviet Union was going through its most dynamic phase of development. The main question, as JFK used to say, was “whether

<sup>5</sup> John L. Gaddis, *The Long Peace: Inquiries into the History of the Cold War* (Oxford: Oxford University Press, 1987). Before Gaddis, this term was popularized by Walter Lippman in his *US War Aims* (Boston, MA: Little, Brown, 1944).

<sup>6</sup> Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times* (Cambridge: Cambridge University Press, 2005).

the country organized and governed as ours will prevail.”<sup>7</sup> CIA analysts worried about a shrinking gap between the US and Soviet gross national product (GNP), as well as about the Soviets catching up with the US in science and technology.<sup>8</sup> And that was not just an American view. Confidential polls conducted by the United States Information Agency (USIA) in Europe in the early 1960s indicated that popular pluralities in France, the UK, and Italy shared the view that the USSR was not only getting ahead of the US in terms of military strength and space exploration, but was also likely to prevail in the overall competition with the US in the next 20–25 years. Only the West Germans were more optimistic about America’s chances.<sup>9</sup>

For the highly competitive American nation, this challenge became an additional and powerful incentive to invoke domestic reforms. The emergence of modern federal support for higher education and sciences, creation of NASA and space exploration programs, and even some social reforms of 1960s, were all connected with Cold War competition.<sup>10</sup>

It was no accident that the Keynesian policy of stimulating economic growth reached its height in the early 1960s during the JFK presidency. The administration experts closely monitored Soviet economic growth for the president.<sup>11</sup> Analyzing Khrushchev’s program of communism construction over twenty years, they stressed that, although the ultimate Soviet goal of surpassing the US in per capita consumption was unrealistic, America had to speed up its economic growth so as not to let the Soviets catch up with US GNP by the end of the twentieth century.<sup>12</sup>

But the Cold War rivalry was not confined to purely economic competition. As Council of Economic Advisers chairman Walter Heller and presidential assistant Arthur Schlesinger, Jr. reported to JFK on the prospects of competition with the Soviet Union: “In this coming decade the United States must demonstrate its ability to solve the problems of health care, poverty, urban decline and environment pollution.”<sup>13</sup> In this sense the social reforms of the

<sup>7</sup> John F. Kennedy, *The Strategy of Peace* (New York: Harper & Row, 1960), 104.

<sup>8</sup> For details, see Vladimir O. Pechatnov, “Sovetsky Soyuz Glazami Amerikanskoi Pazvedki v 1950–1980 godakh” (The Soviet Union through the Eyes of US Intelligence in 1950–1980s), *Novaia I Noveishaya Istoria* (New and Modern History), 3 (1996), 102–4.

<sup>9</sup> The Current State of Confidence in the US Among the West European Public (August 1961). USIA Office of Research and Analysis—John F. Kennedy Library (hereafter—JFKL), Boston (Massachusetts), President’s Office Files, USIA, 1961.

<sup>10</sup> Robert Divine, *The Sputnik Challenge* (New York: Oxford University Press, 1993); P. Dickson, *Sputnik: The Shock of the Century* (New York: Walker & Co, 2001).

<sup>11</sup> W. Heller, Comparative US–USSR Growth Rates (Memo for the President), June 27, 1961—JFKL, W. Heller Papers, Kennedy-Johnson Files.

<sup>12</sup> The Council of Economic Advisers, Memorandum for the President: Soviet and US Economic Growth in the Light of the New Soviet Program. August 9, 1961, JFKL.

<sup>13</sup> Operation “USA.1972,” October 30, 1961—The Council of Economic Advisers, Memorandum for the President.

New Frontiers and the Great Society carried the impact of the Soviet challenge which, due to its ideological character, “enhanced American sensitivity to social and class problems.”<sup>14</sup> At the same time, the visible excesses of the Soviet experiment became, for the American political elite, an extra antidote against extreme statism and radical social experiments, helping to sustain America on the path of moderate social reforms.

Special mention should be made of a historical breakthrough of the 1960s in terms of black America. Racial segregation was probably the most damning side of America’s image, as USIA experts constantly reminded the White House. In the context of the Soviet–American struggle for the Third World, and the rise of anti-colonial national liberation movements, the elimination of racial segregation became a problem of US global standing. “It was no accident that the rise of liberalism intersected with the height of the Cold War,” writes H. W. Brands, historian of American liberalism. The Cold War forced Americans to see their country through other peoples’ eyes, raising the price that had to be paid to maintain the non-liberal status quo. At the same time, Cold War imperatives provided political cover for those who would otherwise be unlikely to question that status quo.<sup>15</sup> Indeed, even conservatives would often tolerate liberal innovations as necessary for national security, while liberals eagerly exploited the “Soviet threat” to legitimize their pet reform projects. In general, the rise of the American welfare state and government intervention were closely related to this external challenge, which helped to overcome individualistic and laissez-faire traditions inherent in American political culture.<sup>16</sup>

Thus, the Soviet Union—to use Arnold Toynbee’s metaphor—became a functional equivalent of the devil that forced the West into doing what it should have done anyway.<sup>17</sup> Eric Hobsbawm sees the main historic contribution of the Soviet Union in that it “saved its adversary during and after WWII,” by first enabling the Western democracies to defeat the axis powers, and, secondly, “by providing the incentive for its self-reform.”<sup>18</sup>

The same mobilizing effect also applied to the Soviet side. A big difference here was that its impact was mostly confined to military technology, but it also involved science and education. It was to the Cold War that the Soviet Union owed its greatest technological achievements of those years—

<sup>14</sup> Daniel Deudney and G. John Ikenberry, “After the Long War,” *Foreign Policy*, 94 (Spring 1994), 27.

<sup>15</sup> H. W. Brands, *The Strange Death of American Liberalism* (New Haven, CT: Yale University Press, 2001), 68.

<sup>16</sup> Deudney and Ikenberry, “After the Long War,” 24–5.

<sup>17</sup> Arnold Toynbee (ed.), *The Impact of the Russian Revolution 1917–1967: The Influence of Bolshevism on the World outside Russia*. (London: Oxford University Press, 1967), 31.

<sup>18</sup> Eric Hobsbawm, *Age of Extremes: The Short Twentieth Century, 1914–1991* (London: Michael Joseph, 1994), 7–8.

launching Sputnik and the first man into space, and reaching nuclear strategic parity with the United States.

In this sphere, the Soviet system—with its central planning and low consumption—was more competitive with the US. But when Khrushchev shifted this competition into consumption, the Soviet system revealed its basic flaw, since it could not provide both guns and butter.

All in all, on the social improvement level, the Cold War delivered more fruits for the US than for the Soviet Union. On the other hand, the disappearance of this competition, and the resultant triumph of the American liberal democratic model (and the apparent “end of history”) contributed to American complacency and arrogance which created a fitting context for the current financial and economic crisis. This is not surprising since competition stimulates, while monopoly leads to complacency and stagnation.

The impact of Soviet–American rivalry on the foreign policies of both countries was even more pronounced. Here, the impact of competition intermingled with that of deterrence—though the latter was a function of competition in the military–strategic sphere in the context of a rough parity.

Deterrence based on the danger of escalation of local conflicts into global nuclear war worked both ways, playing a checks and balances role on a global scale. It forced both sides to act with greater restraint and responsibility, keeping emotions and ideological instincts on a leash. In the course of mutual adjustment and extended arms control negotiations a culture of deterrence emerged, based in part on the mutual recognition of a common responsibility for global security. This factor of “existential deterrence,” well documented in the studies of US foreign policy,<sup>19</sup> is beginning to be confirmed by the new Russian literature (especially covering Khrushchev’s period),<sup>20</sup> though many documents on Soviet foreign policy decision-making remain closed.

It is not hard to imagine how far the adventurous Khrushchev might have gone during the Berlin and Cuban crises (or even the more cautious Stalin in Iran and Turkey of 1946–7) without US deterrence. On the other hand, in the absence of the Soviet countervailing power, the US might have resorted to the use of nuclear weapons in Korea or Vietnam, or to the escalation of other regional conflicts. The US’s traumatic experience in Iraq is another example of the risks with which unchecked American supremacy is fraught.

In the framework of competition between the two blocs, the US had to be more accommodating and generous vis-à-vis its allies, in contrast to the coercive “Soviet empire.” Without the unifying “Soviet threat” the Marshall Plan

<sup>19</sup> See, for example, John L. Gaddis, “The Origins of Self-Deterrence” in *The Long Peace*, 104–46.

<sup>20</sup> Alexander A. Fursenko and Timothy Naftali, *Khrushchev’s Cold War: The Inside Story of an American Adversary* (New York and London: W. W. Norton, 2006).

would hardly have been possible, nor would unprecedented American efforts to rehabilitate its former mortal enemies (Germany and Japan), or to promote the economic and political integration of Western Europe. It was this transatlantic cooperation that helped to produce a historic rapprochement between Germany and the rest of Europe, the European economic miracle, and the knitting together of the fabric of the Atlantic community.

US support for European integration was not predetermined. During the postwar planning deliberations of 1943–45, a predominant attitude toward the prospect of European integration was mostly negative, since most experts were concerned with a probable emergence of a new competitive power center in Europe.<sup>21</sup> It was only the beginning of the Cold War that reversed this attitude. “The Soviet threat,” according to Geir Lundestad, “became the most important factor of the increasingly close cooperation between Europe and the United States.”<sup>22</sup> In other words, here too the Soviet Union played the same role of a functional equivalent of the devil that forced the US to pursue more far-sighted and long-term interests, rather than purely selfish and short-term ones.

Leading liberal institutionalists, like John Ikenberry, accuse George W. Bush of betraying the best part of America’s postwar strategy, based upon multilateralism, mutual obligations, respect for international law, and allies’ interests.<sup>23</sup> On the other hand, such prominent historians of US foreign policy and strategy as Melvin Leffler and John Gaddis emphasize that Bush was deeply rooted in American strategic culture, with its unilateralism, hegemony, and reliance on military force.<sup>24</sup>

These contradictory views prompt this author to offer another, even more provocative, proposition: what if this “golden age” of American postwar strategy was not a norm, but rather an exception caused by the unique character of the Cold War, and we are now facing a real Jacksonian America, or America Unbound, as Daalder and Lindsay put it in their book.<sup>25</sup>

If we take the whole trajectory of the US role in world politics, then the Cold War and the Soviet challenge greatly contributed to a decline of American

<sup>21</sup> Vladimir O. Pechatnov, *Stalin, Ruzvelt, Truman: SSSR I SShA v 1940-kh godakh* (Stalin, Roosevelt, Truman: The USSR and USA in the 1940s) (Moscow: Terra, 2006), 234–6.

<sup>22</sup> Geir Lundestad, *The United States and Western Europe since 1945* (Oxford: Oxford University Press, 2003), 8; see also Ronald Steel, “America after the Cold War: Global Order, Democracy, and Domestic Consent” in John Diggins, *The Liberal Persuasion: Arthur Schlesinger, Jr., and the Challenge of the American Past* (Princeton, NJ: Princeton University Press, 1997), 217.

<sup>23</sup> G. John Ikenberry, “America’s Imperial Ambition,” *Foreign Affairs* (September/October 2002), 44–60.

<sup>24</sup> John L. Gaddis, *Surprise, Security, and the American Experience* (Cambridge, MA: Harvard University Press, 2004), 25–31; Melvyn P. Leffler, “Bush’s Foreign Policy,” *Foreign Policy* (September/October 2004).

<sup>25</sup> Ivo Daalder and James Lindsay, *America Unbound: The Bush Revolution in Foreign Policy* (Washington, DC: Brookings Institution, 2003).

isolationism and to the assumption by the US of a great world power leading the whole Western community. Of course, sooner or later America would have done this anyway, due to its huge economic and military potential. But, in the absence of the Soviet threat, this process might have lasted much longer, and might have taken different, less drastic forms.

One of the most interesting debates on this subject took place behind the closed doors of the Policy Planning Staff in late 1950. George Kennan presided over the meeting, and Reinhold Niebuhr was an active participant. He warned about a danger confronting any great power—"its inability to perceive the world in categories other than its own." Niebuhr also expressed his doubts about America's maturity—a factor necessary for true world leadership. "The great risk of our situation," he went on, "is that thanks to America's productive capacity we have acquired great power and a resultant responsibility, but we don't necessarily possess the required political wisdom... I am not at all certain that American people would handle this [communist] challenge if we are not surrounded by a broader community making decisions. That is why in order 'to defend ourselves from ourselves' it would be better to cultivate a habit of submitting to the UN, rather than resorting to unilateral action."<sup>26</sup>

Policy Planning Staff expert Charles Marshall had an objection: "We can't wait until we reach a level of maturity required by your deep observations because the preservation of free institutions (let's put it this way for the sake of discussion) is so urgent."<sup>27</sup>

This contradiction between unpreparedness for world leadership, and the necessity of assuming it anyway, was dialectically resolved by Kennan in his famous conclusion of the "X" article. It was the Soviet challenge itself that would serve as a mobilizing and educational stimulus for America which, in the process of responding to it, would evolve into a true world leader. Kennan urged his countrymen to be thankful "to a Providence which, by providing the American people with this implacable challenge, has made their entire security as a nation dependent on their pulling themselves together and accepting the responsibilities of moral and political leadership that history plainly intended them to bear."<sup>28</sup>

And indeed, for many years, "this implacable challenge" has served for the US as a mobilizing and unifying force that turned anticommunism into a national goal shared by all main elements of American society. The mere existence of this supergoal tended to enhance federal authority and to make

<sup>26</sup> Meeting of November 20, 1950 (Transcript of Proceedings)—National Archives (College Park, Maryland), Record Group 59, Records of Policy Planning Staff, PPS Meetings, Box 32.

<sup>27</sup> Meeting of November 20, 1950 (Transcript of Proceedings).

<sup>28</sup> George F. Kennan, "The Sources of Soviet Conduct," *Foreign Affairs* (July 1947), 582.

the country's awkward political system more governable.<sup>29</sup> The end of the Cold War has deprived the United States not only of the main enemy and strategic compass of containment,<sup>30</sup> but also of a former sense of a national mission. Hence the famous question: "What does it mean to be an American when there is no communism anymore?" What will pull the nation together in pursuit of national goals, and what are these new goals after the end of communism? What about the centrifugal forces of American politics—particularistic group interests, cultural contradictions, and racial tensions? And will they prevail over national unity in an increasingly heterogeneous and multicultural country? These questions are being raised more and more often in public and academic debates.

The Soviet mentality was also greatly affected by the Cold War. The ruling nomenklatura was deeply pleased to run a superpower competing with the mighty US in military power and global influence. For the ordinary Soviet people, the US was also a worthy rival, enhancing their self-respect—after all, we were in the same superleague with Americans, and could look down at ordinary players on the world scene. The loss of this great power status had painful consequences, which are still with us.

The final question is where are we now, after the end of the Cold War? What lessons have we—in Russia and the US—learned from the Cold War experience? What has changed in our foreign policies since then, and what has not?

In my country the changes have been quite dramatic and obvious. First of all, Russian policymakers now operate from a much narrower resource base than during the Cold War. The loss of the empire and of the strategic military presence in the heart of Europe, a sharp decrease in the number of allies and pro-Soviet parties in the outside world, the dissolution of the Soviet Union and the resultant shrinkage of Russian territory and population, and the downgrading of the military-industrial base, are all well-known and stubborn facts (as Stalin used to say). It is only recently that the economic downturn has been reversed, but that doesn't yet change the basic power asymmetry between, say, Russia and the US. But this change is not entirely negative because it has forced our leadership and the public at large to realize that we have to be more modest and realistic in our ambitions, and that our foreign policy should help to modernize our country instead of ruining its economy through the arms race and foreign assistance.

Second, there has been a radical de-ideologization of Russian foreign policy. Gone are the messianic pretensions and global aspirations of Soviet times; also

<sup>29</sup> See Deudney and Ikenberry, "After the Long War," 27–8.

<sup>30</sup> Charles W. Maynes, "America Without the Cold War," *Foreign Policy* (Spring 1990), 5.

gone is the old ideological vision of the world we have talked about. The Cold War value gap has greatly diminished (if not entirely disappeared), and Russia now subscribes to Western ideals of free markets and democracy. Russia has rejected confrontation with the West, destroyed the Iron Curtain, and taken the course of integration into the world economy. Our political and diplomatic leaders are proud to call themselves pragmatists; economy, trade, and finance are sitting firmly in the saddle of Russian foreign policy.

Third, Russia has radically downscaled its military and security requirements. It no longer aspires to have a military capability equal to all of its real and potential enemies. To avoid militarization of the economy and confrontation with the West, it does not get involved in full-scale arms races, and it has given away most of its military installations overseas. The current agenda of Russian foreign and security policies is rather modest and limited. Its primary task is to secure the new borders and to have stable, friendly, or neutral governments in the neighboring countries. While encouraging economic and security cooperation with its neighbors, Russia does not want to recreate the Soviet Union (as Vladimir Putin once said, those who do not miss the USSR have no hearts, and those who want to recreate it have no brains). Russia pursues a so-called multi-vector foreign policy, developing mutually beneficial ties with all major power centers without regard to the nature of their political systems.

Yet, on a deeper geopolitical and cultural level, there are also some continuities with the past. Great power mentality, a vulnerability complex, a zealous defense of Russian sovereignty and identity, and a mixed attitude toward the West—all these elements of the national foreign policy tradition are re-emerging. And this is happening not simply because of historical inertia, but as a reaction to Western (especially American) policies. NATO expansion to the East, and the advance of its infrastructure all the way to the Russian borders, a forceful regime-change policy in the former Yugoslavia, active resistance to Russian-led integration of the post-Soviet space (and cultivation of anti-Russian forces there), are all developments which have caused growing Russian concern. They have demonstrated that, for the US and its allies, Russia's legitimate security interests are less important than expanding their own influence and locking in the Cold War geopolitical gains. For Russian policymakers, it has become clear that the end of the Cold War and of the ideological divide has not done away with interstate rivalry and with old Western syndromes—an apprehension about a strong Russia and its image as a country alien and even hostile to Western culture and values.<sup>31</sup>

<sup>31</sup> For more about the deep roots of this anti-Russian bias in the West, see Vladislav Zubok's chapter in the present volume.



Some of the old problems of Russia's security remain unsolved to this day.<sup>32</sup> The country's new borders have become even more porous and difficult to defend. This pushes the Russian leadership to new attempts to create a defensive belt of friendly states around Russian borders. The first time around it was done by the brutal means of Sovietization, which became one of the main causes of the Cold War. Now the means are restrained, and mostly economic, but even so, in a modern world, this task becomes more difficult than ever before, and faces greater internal and external constraints. No wonder the competition for influence over post-Soviet space has become an important source of tension between Russia and the West. Another difference with the Cold War period is that this time the issue is more sensitive for Russia; in the 1940s it was about Eastern Europe, but now it is about Ukraine, the Caucasus, and Central Asia, which are much closer to the Russian heartland.

The economic development gap between Russia and a highly developed West has widened again after the modernizing thrust of Soviet times. Russia's civilizational loneliness remains, despite its openness to a world facing new challenges from the East and South. The issue of nationalism continues to produce instability in the Northern Caucasus and some other regions. And the attempt to overcome these stubborn realities of Russia's position by Soviet means has failed. It remains to be seen whether the new post-Soviet Russia will find more effective solutions.

And what about Western (that is, mostly American) policy and strategy after the Cold War?

First of all, while in Russia we are witnessing the end of ideology, in America and the West there is a real renaissance of a liberal-democratic crusade—a strong reaffirmation of Western values and a new surge to expand them to the new virgin lands in the East. This triumphalism is being fed by several factors: victory in the Cold War and the drastic decline of the Left's alternative to capitalism (“the end of history” by Fukuyama), the progress of globalization—seen basically as Westernization (or Americanization)—and a huge asymmetry of power in favor of the West which allows it to expand its domain, so to speak, with impunity. There is also something I would call “the revolution of democratic expectations” brought about by Samuel Huntington's “third wave” of democratization: the fewer undemocratic states that remain in the world, the more abnormal they seem, and the more intolerant the West becomes of their existence. That is why they are now called “thugs,” “rogues,” “last dictators in Europe,” etc. As Alexis de Tocqueville wrote in his classic

<sup>32</sup> A detailed historical overview of these problems is provided by Alfred Rieber, “How Persistent Are Persistent Factors?” in Robert Legvold (ed.), *Russian Foreign Policy in the Twenty-First Century and the Shadow of the Past* (New York: Columbia University Press, 2007), 205–78.

*Democracy in America*, “the democratic passions would seem to burn most fiercely just when they have least fuel.”<sup>33</sup>

Most Russians, especially our military planners, see this US-led democratic crusade as a façade disguising a far-reaching geopolitical design—filling in power vacuums left by the collapse of Soviet rule (“locking in Cold War gains,” as President George W. Bush used to say) and turning this huge post-Soviet space into a Western sphere of influence inhabited by relatively small, heavily dependent, pro-Western (and pro-American) states. In this sense, there is a clear continuity with the Cold War strategy: even though “containment” was officially replaced in 1993 by “enlargement of democracy,” the latter basically became a follow-up to the former—that is, after the successful containment of Soviet power came an exploration and cultivation of the “liberated” post-Soviet space. Or, as President Clinton used to say about NATO expansion: “We are now trying to do for Eastern and Central Europe what we did for Western Europe during the Cold War.”

There is nothing wrong with expanding markets and democracy provided it is not accompanied by expanding the world’s most powerful military–political alliance, to which Russia has never belonged, is highly unlikely to ever belong, and which is still seen by many of its members as a means of containing Russia. Of course, the official NATO line is that this expansion is not directed against Russia, now that we are partners, not enemies, etc. But, in reality, we see a two-track policy—cooperation and containment—or, as former Secretary of Defense Bill Perry put it: “hoping for the best and preparing for the worst.” Again, this sounds quite prudent; but if you mostly prepare for the worst, and do little but hope for the best, you—according to the logic of self-fulfilling prophesy—may end up with the worst—that is, an isolated, hostile and dangerous Russia.

In short, US basic strategy has changed much less since the Cold War than Russia’s. Perhaps this is reading too much into current American policy and overestimating its consistency and purposefulness,<sup>34</sup> but that is how it looks to our policy planners used to worst-case scenarios. And if their American counterparts were in their shoes, they would surely be even more worried.

Yet there is new ground for hope. There is a new leadership in Washington which has learned from America’s bitter experience in Iraq and from other foreign policy mistakes of their predecessors. There is much less triumphalism and unilateralism. There is more consideration of other countries’ interests and a stronger emphasis on soft power rather than military might. The current financial/economic crisis also helps to save on expensive military toys (like

<sup>33</sup> Alexis de Tocqueville, *Democracy in America*, volume 2 (New York: Fontana, 1995), 312.

<sup>34</sup> Jussi Hanhimäki’s chapter in the present volume provides a useful overview of the complicated continuity and change in US strategy from George H. W. Bush, to Barack Obama.

placing new anti-ballistic missile systems in Eastern Europe), to curb an excessive arms race and promote real progress in arms control. It is very encouraging that both the White House and the Kremlin are now once again engaged in serious arms control negotiations. The combination of lean budgets and internal preoccupation may serve as a healthy check on imperial ambitions and far-fetched schemes for remaking the outside world. The loss of former confidence in the superiority of the American economic model, in the wake of the current crisis, may bring some much needed humility and openness to new ideas of how to improve the political climate. In short, there is a chance to really break away from the Cold War and its legacy; but it will take a long and sustained effort from both sides.

# 7

## Two Finales: How the End of the Third World and the End of the Cold War Are Linked

*Odd Arne Westad*

One of the key elements in the recent historiography of the Cold War deals with the destructive change created by the extension of that conflict into Asia, Africa, and Latin America. The debate that this historiography has fashioned points to the two final decades of the Cold War as decisive in how the non-Western world looks today.<sup>1</sup> In a global situation in which developments outside Europe and North America are drawing ever closer to the center of international affairs (periphery no more!), it is vitally important to test some of the propositions that underlie this generalization. Was the death of the Third World (as a project of political, social, and economic solidarity and cooperation in the South) caused by developments in the Cold War? To what extent were the changes in East and Southeast Asia—crucial for understanding global transformation at the end of the twentieth century—dependent on how the Cold War ended? These are the two questions that will be explored in this chapter, along with some suggestions for more general approaches to the study of links between the late Cold War era and our own time.<sup>2</sup>

I write this in the (relative) peace and quiet of my central London apartment because the Cold War did not end in a Third World War. But while cataclysm was avoided, destruction was widespread *outside* the industrialized West.

<sup>1</sup> The middle section of this chapter incorporates material used for my chapter in Robert J. McMahon, (ed.), *The Cold War in the Third World* (New York: Oxford University Press, forthcoming).

<sup>2</sup> Much of my argument in this chapter came up as I was working with Melvyn P. Leffler in editing the three volumes of the *Cambridge History of the Cold War*. I am grateful to Mel for his friendship and for all the good discussions. For the end result, see Melvyn P. Leffler and Odd Arne Westad, (eds.), *The Cambridge History of the Cold War*, 3 vols (Cambridge: Cambridge University Press, 2010).

To borrow a term from Niall Ferguson: the Third World's War substituted for the Third World War. Across Asia, Africa, and Central America devastating wars destroyed (and recreated) states in quick succession and on a massive scale. In all of these wars the Soviet–American confrontation played a major role. Think for instance of Angola, now Africa's second-largest oil exporter (and one of China's main suppliers of foreign oil): a twenty-seven-year-long civil war destroyed the country, with opposing sides supplied and abetted by the United States and the Soviet Union, respectively. Or think of Vietnam, now projected to be the world's fastest growing economy in the decade to come: fifteen years of Cold War-inspired civil war, followed by a Cold War-inspired (and US-abetted) war with China. The list could go on and on. The Cold War wars framed the states that these post-colonial societies created, and molded mindsets—especially with regard to governance—that would prove to be long lasting.

In order to understand the effects this epoch of massive violence had on political projects and choices of development models, it is important to situate it within the global change in structural conditions—particularly in economic terms—that took place in the “long 1970s.”<sup>3</sup> As the postwar recovery phase for Western Europe and Japan ended toward the end of the 1960s, the United States in effect carried out a set of massive devaluations of its currency in order to stay in the competitive lead. This policy adjustment ended the Bretton Woods system (a convenient shorthand for how the global economy worked between 1944 and 1972), and set the stage for an internationalization of the US economy that was unprecedented in its history. At the same time, the tremendous expansion in the supply of world money and credit, provoked by the combination of extremely lax US monetary policies and the explosive growth of privately controlled liquidity in offshore money markets, fueled the integration of the capitalist world economy in the first stage of what we have come to know as globalization. By the 1980s these (mostly unplanned and generally unintended) global processes of change were putting increasing pressure on any country that was attempting to follow a non-capitalist model of development. Their room for maneuver—as we will see later—was much reduced in economic terms well before the Soviet state started its time of troubles in the 1980s.

The collapse of the Third World as a political project is, in my view, intimately connected to these developments. As we will see later, many political leaders across the three continents did not make the job easier for themselves by engaging in spectacular examples of poor governance, but the fundamental reason for the collapse of alternative models of development was that the

<sup>3</sup> I have borrowed this term from Giovanni Arrighi, see Giovanni Arrighi, *The Long Twentieth Century: Money, Power, and the Origins of Our Times* (London: Verso, 1994).

economic conditions within which they had to act changed. Just when many Third World leaders were hoping for increased South–South economic cooperation and a greater hearing in the UN and elsewhere for their economic demands, the curtain fell on the systems of planning which their economies had been built on. The instability in the prices of raw materials contributed to the end of the show. But so did the political framework within which these global demands were put. A number of Thirdworldists—especially new recruits to the cause from Latin America—seemed entirely oblivious to the fact that embryonic globalization (which they strenuously opposed) actually favored and promoted the economic growth of some states with whom they had earlier been closely aligned, for instance in Southeast Asia. Globalization, in other words, split the Third World coalition apart.<sup>4</sup>

The Cold War, therefore, ended not only with the collapse of the Soviet Union—it also ended with the collapse of the Third World. In the 1980s, as China defected from the planned economy model and began its journey toward what some call “market-Leninism,” and its region surged ahead in economic rejuvenation, other parts of the Third World were left further and further behind. The economic ruin of Africa, much of Latin America, and parts of South Asia happened at the same time as the East Asian surge simply because these other parts could not, or would not, or sometimes were not allowed to, benefit from the changes that took place in the global economy. One of the main effects of the macro-changes that took place in the 1970s has been the increased centrality of Eastern Asia in world affairs. As I have explained elsewhere, this rise to prominence could not have happened (or at least not happened as quickly as it did) without the collaborative framework for trade that the United States constructed—mainly for Cold War reasons—with former Third World Eastern Asia in the 1970s and 1980s.<sup>5</sup>

## The Third World

In order to understand the collapse of the Third World, it is essential first to define what it was. Many, who never bothered to explore its origins, today see the Third World as an outdated term for non-Western countries—these are often the same people who deem the concept to be deeply politically incorrect. Third World has, in the Western public imagery, become a bit similar to Third Class or Failed State—beyond rescue, derelict, a faraway faint echo of

<sup>4</sup> For a further discussion, see Artemy Kalinovsky and Sergey Radchenko, (eds.), *The End of the Cold War and the Third World: New Perspectives on Regional Conflict* (London: Routledge, 2011).

<sup>5</sup> For this, see Odd Arne Westad, “The Great Transformation: China in the Long 1970s,” in Niall Ferguson, Charles S. Maier, Erez Manela, and Daniel J. Sargent (eds.), *The Shock of the Global: The 1970s in Perspective* (Cambridge, MA: Harvard University Press, 2010).

urban slums or immigrant ghettos closer to home. The Developing World sounds much more upbeat and less injurious. Or, if you want to add a vague political edge, the Global South.<sup>6</sup>

This devaluation of the term would have come as a great surprise to those who began using it after the Bandung conference in 1955. To anti-colonial radicals the term was a point of satisfaction: the Third World was the future of the world, as the Third Estate had been the future of France in 1789. It was powerful, plentiful, and proud, and it confronted, self-consciously, the First World—the aristocrats of the United States, Britain, or France, who wanted to own it—and the Second World—the high priests of the Soviet Union and Eastern Europe (and sometimes also China)—who wanted to save it for their own benefit. Out of the post-colonial position would come ideas that would unite the oppressed, destroy all forms of subservience, and free humankind from the threat of obliteration through nuclear war.

So the Third World was an extensive and active project. But was it also a place? That depends on definitions. Franz Fanon saw it as the post-colonial world, pure and simple: all those who had endured twentieth-century colonialism in any form would have more in common, Fanon believed, than any other transnational group of people, and should therefore form a tightly knit community. Fanon's Third World encompassed Asia, Africa, and the Caribbean (including, inconveniently for the Soviets, the Caucasus and Central Asia), but not South America, China, or, for that matter, Japan.<sup>7</sup> For Indonesian leader Sukarno, who probably promoted the expression more than anyone, the Third World was an idea waiting to become a geographical reality (though he was always certain it would happen), and it would include all peoples who had been colonized by European powers. In Africa, after the early 1960s, the liberation movements in the Portuguese colonies and in the white supremacist states of South Africa, Southwest Africa, and Rhodesia were those who came closest to seeing the Third World as existing geographical space, since for them it created a zone in which they could operate freely and openly. Maybe it is right to conclude that the Third World was a place as long as it fitted someone's political framework, or—if you like—satisfied their mental maps.<sup>8</sup>

Whatever definition you want to give it, the Third World no longer exists today, neither as political project nor as geographical space. As will be

<sup>6</sup> For an overview of Third World concepts see Vijay Prashad, *The Darker Nations: A People's History of the Third World* (New York: New Press, 2007), explored further in my review "The Downtrodden Majority," *The London Review of Books*, 30:2 (2008), 30.

<sup>7</sup> Fanon talks about Latin America as dominated by fascism "as a dialectical result of the semi-colonial state" (Frantz Fanon, *The Wretched of the Earth* (New York: Grove Press, 2005), 117).

<sup>8</sup> For a discussion of mental maps and the Cold War see Jonathan Wright and Steven Casey, (eds.), *Mental Maps in the Early Cold War Era, 1945–1968* (London: Palgrave Macmillan, 2011).

discussed later, it fragmented under economic and political pressures in the 1970s, and it is very unlikely that it can ever be put together again. The placing in time is very important here; the Third World concept is “outmoded” because its heyday belongs to the period, roughly, from 1955 to 1975; not because of any denigrating intent or origin with the concept itself. But in spite of the historian’s need to “bound” the concept in time, it can (and will) be studied by social scientists as well as historians, thereby creating debates that are of some interest today in terms of how we understand change at the end of the twentieth century and beyond.<sup>9</sup>

## Positions

The debate about whether the Third World, as a political project, belonged within the Cold War, is an old one, laden with tangled political baggage. The position from the political Right in the United States and Britain was that the Third World was simply another name for left-wing subversion of Western interests, de facto allied to Soviet expansionist urges in Asia, Africa, and Latin America. The view from the European and American Left—especially the so-called New Left of the 1960s—was that the Third World represented a qualitatively new form of socialist democracy, which—in time—would ally itself with radicals in Paris or New York (or Oslo). Both political perspectives turned out to be wrong. Some radical Third World states—Algeria, Ethiopia, Vietnam, and Cuba, for instance—moved ever closer to Soviet-style domestic politics and economics in the 1960s and 1970s, and away from the idea of non-Cold War independent socialist positions. But the bigger story is that almost no Third World country broke with the capitalist world economy as they sought new internal development plans. Except for Cuba and Vietnam, which, for political reasons, were denied access to world trade and finance by the United States, all post-colonial states sought more, not fewer, international market openings in spite of their domestic radicalism.

There were many reasons why Cold War was such a laden term among anti-colonial leaders. Many defined the term, following Soviet parlance, as an aspect of US foreign policy, not as description of a bipolar system. Cold War was what the United States used against its enemies. Using the concept Cold

<sup>9</sup> For an early overview of the debate, see Christopher Clapham, “The Collapse of Socialist Development in the Third World,” *Third World Quarterly*, 13:1 (January 1992), 13–25. For central texts by a key sociologist, see Bertrand Badie, *The Imported State: The Westernization of the Political Order* (Stanford, CA: Stanford University Press, 2000) and Bertrand Badie, *La fin des territoires: essai sur le désordre international et sur l'utilité sociale du respect* (Paris: Fayard, 1995). For an overview of anthropological themes, see Ted C. Lewellen, *The Anthropology of Globalization: Cultural Anthropology Enters the 21st Century* (Westport, CT: Greenwood, 2002).



War in relation to the post-colonial world was, in other words, to heap opprobrium on those who wanted to create a Third World project in and among formerly oppressed nations: it insinuated their lack of agency and their subservience to the Soviet Union. Others saw it as postulating a dichotomous world, in which no position was possible except those of the superpowers. Whatever way it was seen, the Cold War, as a term, seemed to get in the way of what the Third World promised to be.

In reality, however, there was little escape from the Cold War, whichever way you defined it. Not only did the United States intervene in various forms—as we shall see below—against those who tried to assert their independence from US control, but the Soviet Union was, and remained, the only alternative power with a global reach. In practical terms, as far as security was concerned, there was only one game in town: if you did not want to seek accommodation with the United States, then the Soviets were the only other power that would provide the kind of security that many post-colonial countries sought. It did not matter whether you defined the world between the end of the Second World War and 1989 as unipolar or bipolar. As soon as you acted internationally, then those concerns that drove the Cold War impinged on your freedom and, in the end, constrained your options. Many Third World countries tried to break out of the Cold War stranglehold. None succeeded.

For many Western Thirdworldists—intellectuals who believed that the Third World project would defeat the Cold War and build a new global future—the claim of association with the Soviet Union was a particularly galling one. Not only did they oppose the Soviet-linked communist parties in their own countries; they also often attempted countermanding Soviet influence in their Third World country of choice. In Algeria, French “tiers-mondistes” warned Ben Bella of Soviet perfidy and parsimony. In Nicaragua, Scandinavian leftists spoke of outmoded Soviet models.<sup>10</sup> In every case, their influence was limited. The Soviets offered a concrete alternative in terms of development (which Western Marxists did not). They also offered military supplies and training (which most Thirdworldists steered well clear of).

The attraction of the Soviet model of development up to the 1970s should never be underestimated (although it often is). In spite of the terror (well known, but often denied) and the waste (lost in the general figures of growth), the Soviet experience for many Third World leaders offered a way out of the dilemmas of state-building under conditions of poverty and international market pressures. It promised modernity *and* justice, technology *and* social

<sup>10</sup> On Swedes in Nicaragua see Linda Berg, “InterNacionalistas: identifikation och främlingskap i svenska solidaritetsarbetares berättelser från Nicaragua,” PhD thesis, Umeå University, 2007 <<http://umu.diva-portal.org/smash/record.jsf?pid=diva2:140652>>. On Frenchmen in North Africa see Claude Liauzu, *L'enjeu tiersmondiste: débats et combats*, Logiques sociales (Paris: l'Harmattan, 1987).

progress. While the Soviet Union's main advantage was being a Western country that was not a colonial power, it was also seen as economically successful and—very importantly—a pioneer of state planning. At a time when economic development models were considered pre-packed products, the Soviet planning experience counted, not only for states that viewed themselves as socialist, but for those—such as India or Nigeria—who wanted to move away from markets to centralized, state-led development.<sup>11</sup>

But in addition to the rather obvious fact that there was much that did not endear post-colonial elites to capitalist forms of development (generations of repression under overseas bourgeois regimes, for one), there were also the links between concepts of national liberation and Bolshevism that went back to the origins of the Russian revolution. Different from Marx, who had generally viewed colonial rule as progress, Lenin had seen a link between what he called self-determination and socialism; “objectively” the national bourgeoisie were allies of the working class while their country broke free from colonial domination, the Soviet leader taught.<sup>12</sup> Soviet and other communists helped organize the anti-colonial resistance across the globe, and, deservedly, made themselves popular among those who were to become post-colonial leaders in the process. As US historian Carol Anderson has reminded us, the emergence of a non-communist opposition to racial discrimination and colonial oppression abroad was a watershed, which helped set the stage for a rapid decline in Soviet fortunes in the Third World.<sup>13</sup>

Another key link to the Cold War was the category of state formation chosen by the post-colonial elites. Instead of building on broad identities (Africans, Arabs) or narrow ones (Yoruba, Gujarati), they invariably chose the concept of the nation state to form the core of their political projects. It was—as Jeffrey Byrne has noted—outwards from these more or less imagined entities that Third World solidarity was intended to flow.<sup>14</sup> The problem with

<sup>11</sup> For Nigeria see P. N. C. Okigbo, *National Development Planning in Nigeria, 1900–1992* (London: James Curry, 1989). For India see Terence J Byres (ed.), *The State and Development Planning in India*, SOAS studies on South Asia (Delhi: Oxford University Press, 1994). The origins of modern state-led planning of course go back to the First World War in Europe and North America; see Marc Allen Eisner, *From Warfare State to Welfare State: World War I, Compensatory State-Building, and the Limits of the Modern Order* (University Park, PA: Pennsylvania State University Press, 2000) and the classic Charles S. Maier, *Recasting Bourgeois Europe: Stabilization in France, Germany, and Italy in the Decade After World War I* (Princeton, NJ: Princeton University Press, 1975). Planning and development is discussed in David Engerman, “The Romance of Economic Development and New Histories of the Cold War,” *Diplomatic History*, 28:1 (January 2004), 23–54, and in Corinna Unger and Stephan Malinowski (eds.), “Modernizing Missions: Approaches to ‘Developing’ the Non-Western World after 1945,” *Journal of Modern European History*, 8 (special issue) (2010).

<sup>12</sup> V. I. Lenin, “The Socialist Revolution and the Right of Nations to Self-Determination,” in *Collected Works*, volume 22 (Moscow: Foreign Languages Publishing House, 1977), 143–56.

<sup>13</sup> Carol Anderson, *Eyes off the Prize: The United Nations and the African American Struggle for Human Rights, 1944–1955* (Cambridge: Cambridge University Press, 2003).

<sup>14</sup> Jeffrey Byrne, “The Pivotal Nation: Algerian Foreign Policy 1958–1965,” PhD thesis, LSE, 2011.

the implementation, of course, was that not only did it superimpose the wholly European idea of the nation state on unwilling populations, it confirmed borders arbitrarily drawn by the imperialist powers. The result was governments lacking in legitimacy, peoples who did not see themselves as one people, and cross-cutting conflicts drawn from both of these deficits stirring hatred and often violence. It is quite possible that one of the main roles of the Cold War was to exacerbate conflicts that already existed. But the form that the state itself got—cheered on equally by the US and the Soviet sides in the Cold War—was a key reason for the transmundaneity of the Third World project, as well as an origin for some of the disasters that befell post-colonial states as the first generation of leaders passed from the scene.

A further link worth contemplating—although the literature, especially the comparative literature, so far is weak—is between Cold War strategies and religiously exclusive states. The two main experiments in setting up new states based on religion—Israel and Pakistan—both benefited massively from US Cold War concerns, but at the cost of destabilizing their neighborhoods. US support for Israel and Pakistan brought the Cold War into play in the Middle East and South Asia, and helped link other states in these regions to the Soviet Union. But the most important consequence of these US alliances was probably to push local populations—both in the countries the US supported and elsewhere—toward forms of identitarianist politics among Muslims, Hindus, and Jews that fuelled long-term conflict. In the case of Pakistan, and throughout the Muslim world, it also linked Washington to authoritarian dictatorships that may have served short-term US security interests, but that became less and less legitimate in the eyes of their own populations.

The issue of state and elite legitimacy is the core of the debate on the effects of the Third World project itself. Across the post-colonial regions—including most of those who saw themselves as part of the Third World—governments waged war against their own peasant populations in an attempt to force them into the version of modernity that the regime subscribed to.<sup>15</sup> In these brutal efforts they were helped by the Cold War superpowers, which both saw the abolition of the peasantry as a key yardstick for progress. The problem with these campaigns was not only that a lot of people died (although that, at least to some of us, is bad enough), but that hatreds were sown of a kind that would explode in the face of modern political projects—from Algeria to Iraq, Burma, and Cambodia. Nick Cullather is right to argue that the US “battle against poverty” was an intimate accomplice of its Cold War strategies. The success of

<sup>15</sup> This is an argument that goes back to the work of the political scientist and anthropologist James Scott (James Scott, *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed* (New Haven, CT: Yale University Press, 1998)) and is further developed in my book *The Global Cold War: Third World Interventions and the Making of Our Times* (Cambridge: Cambridge University Press, 2005).

this “war,” however, cannot be measured by the magnitude of US efforts, but by reduction in local inequity; as Amartya Sen and others have demonstrated—anti-Malthus—hunger is usually not caused by overpopulation or failed harvests, but by social oppression and failed development plans.<sup>16</sup>

The historiography of the Cold War in Latin America is among the most extensive and most complex in recent literature. What was the effect of the Cold War on Latin America, and—going back to definitions—what was that continent’s place in the Third World project? Greg Grandin has explained both how US interventionism and dominance in the region predated the Cold War and how there was a Latin American Cold War that more or less coincided with the global version. This is important because, as we have seen, both Third World leaders in Asia and Africa, and Latin American radicals, were uncertain as to how the struggle in the Americas fitted in with the Third World project. The states in Latin America had (mostly) been independent for 150 years, and were therefore not post-colonial in the same sense as elsewhere. Moreover, the elites (including the radical elites) were mostly of European origin, something other radicals—especially those of a nativist bent—found problematic.<sup>17</sup> In spite of the focus on US interventions—recently explored in the case of Chile by Tanya Harmer and Brazil by Rodrigo Patto Sá Motta<sup>18</sup>—what came to link Latin America with broader Third World developments were concepts of dependency and “structural imperialism”; terms that gave the US control of its southern neighbors a similar *valeur* as the suffering of those that had been directly colonized elsewhere.<sup>19</sup>

<sup>16</sup> Amartya Sen’s argument was first developed in the early 1980s (see his Amartya Sen, *Poverty and Famines: An Essay on Entitlement and Deprivation* (Oxford: Clarendon, 1981), but is more fully discussed in Amartya Sen, *Development as Freedom* (Oxford: Oxford University Press, 1999). See also Nick Cullather, *The Hungry World: America’s Cold War Battle Against Poverty in Asia* (Cambridge, MA: Harvard University Press, 2010).

<sup>17</sup> Such uncertainties were strange parallels to the predominant US racial view of Latin Americans “as white but not white enough”; see Walter D. Mignolo, *The Idea of Latin America* (New York: Wiley-Blackwell, 2006), 153.

<sup>18</sup> Tanya Harmer, *The Rules of the Game: Allende’s Chile and the Inter-American Cold War, 1970–1973* (Chapel Hill, NC: University of North Carolina Press, 2011); Rodrigo Patto Sá Motta, “Modernizando a repressão: a Usaid e a polícia brasileira,” *Revista Brasileira de História*, 30:59 (June 2010), 237–66.

<sup>19</sup> For origins see Fernando Cardoso, *Empresário industrial e desenvolvimento econômico no Brasil* (São Paulo: Difusão Européia do Livro, 1964). For an overview of the development of terminology in Brazil, see Gláucia Villas Bôas, *A vocação das Ciências Sociais no Brasil: Um estudo da sua produção em livros do acervo da Biblioteca Nacional 1945–1966* (Rio de Janeiro: Fundação Biblioteca Nacional, 2007). An excellent discussion of views and attitudes is in Greg Grandin, “Your Americanism and Mine: Americanism and Anti-Americanism in the Americas,” *The American Historical Review*, 111:4 (October 2006), 1042–66. For a very lively debate on the character of the Cold War in Latin America, see Hal Brands, *Latin America’s Cold War* (Cambridge, MA: Harvard University Press, 2010); Greg Grandin and G. M. Joseph, (eds.), *A Century of Revolution: Insurgent and Counterinsurgent Violence During Latin America’s Long Cold War* (Durham, NC: Duke University Press, 2010); G. M. Joseph and D. Spenser, *In From the Cold: Latin America’s New Encounter with the Cold War* (Durham, NC: Duke University Press, 2007).

By the late 1960s the Third World had developed a specific set of positions vis-à-vis the Cold War. Its role was problematic, as we have seen, but not hopelessly so. There were questions of definition and of inclusion that were hard to resolve, but not more than for the superpower blocs themselves. In spite of its contradictions and its occasional cruelties, the Third World project seemed set for survival and gradual institutionalization. Its original emphasis on social justice may have been blunted, but its emphasis on sovereignty and equality among states remained. So did the regime-led modernization model and the emphasis on planning, which seemed to be spreading outward from the Third World core during the 1960s. In the UN, Thirdworldist claims and proposals were adopted with increasing frequency. But things changed.

## Collapse

Why, then, did the Third World project collapse as spectacularly as it did during the 1970s and 1980s? There are, as far as I can tell, four main reasons, three of which are dealt with below, and the fourth in the final part of the chapter. The first is changes in global capitalism, which sent the economic situation for Third World countries into freefall. The second is the massive breakdown in legitimacy (and thereby the ability to govern) within many Third World regimes. The third is the anti-revolutionary offensive of the Reagan administration, which armed rebels in order to overthrow the last hold outs among Third World regimes. And the fourth is the counter-revolution in China and the unprecedented economic growth in East Asia. It was a kind of perfect storm, which very few international movements could have stood against.

The fundamental changes in the global economy that took place at the beginning of the 1970s came, eventually, to privilege an internationalization of US capitalism into what we today call globalization. Ironically, measures that the Nixon administration took in order to deal with rising public indebtedness and inflation—such as floating exchange rates and abolishing capital controls—helped create interactive and international financial markets that strengthened global capitalism (while stimulating its speculative nature) and expanded world trade. By the end of the decade the United States had begun, on a massive scale, to buy into economic change that happened elsewhere, thereby at least temporarily slowing its own weakening relative position in the international economy.<sup>20</sup>

<sup>20</sup> For a good overview, see Lauren Benton, “The 1970s in World History: Economic Crisis as Institutional Transition” (presented at Interactions: Regional Studies, Global Processes, and Historical Analysis, Library of Congress, 2001) <<http://www.historycooperative.org/proceedings/>

Economies that were geared toward selling manufactured goods at low cost internationally benefited from these developments, while those that had emphasized import-substitution and zero-sum central planning did not. Even those who participated to a very high extent in the global economy through raw material exports did not benefit much, because of the instability of prices. Since all the key countries in the Third World project—and a very large number of countries in the post-colonial world—fell into the two last categories, their economic development plans suffered and slowed down, especially since many of them were getting increasingly indebted to international financial institutions. And since plans for so-called South–South economic cooperation had mostly failed, loans were the only way in which many states could make up for their economic shortfall.<sup>21</sup>

The Third World project also collapsed because many of the states that represented it became less and less legitimate in the eyes of their own populations. The first generation of leaders—Sukarno, Nasser, Nkrumah—came to base their rule on *fiat* rather than popular participation in government, and thereby destroyed much of the support they had had when their governments were formed. Human rights abuses abounded. Electoral support was neglected. Corruption and nepotism became increasingly widespread. The message that the Third World concept had contained—a political and sometimes moral superiority based on the struggle against oppression in the past—became overshadowed by the practices its representatives engaged in. Although some claim that it was the military regimes that replaced the initial leaders who were the worst sinners in this respect, it was clearly the first generation that set the low standards that others lived down to.

Some historians claim that the Third World project was shattered in the 1970s because of the enormous economic divergence that developed between three groups of post-colonial countries at exactly the moment when the Third World agenda itself was becoming centered on international economic demands. Having its New International Economic Order (NIEO) adopted as a UN resolution in 1974 seemed a high point for the leading Third World countries—the special session that agreed the resolution had been proposed by Algeria and supported by seventy other states from Africa, Asia, and Latin

interactions/benton.html>. For a more in-depth discussion, see Duccio Basosi, *Il governo del dollaro: interdipendenza economica e potere statunitense negli anni di Richard Nixon (1969–1973)* (Florence: Polistampa, 2006). The broader discussion of developments in the 1970s is captured in Niall Ferguson et al., *The Shock of the Global*.

<sup>21</sup> The best historical discussion of the development concept is in Gilbert Rist, *Le développement: Histoire d'une croyance occidentale*, 3rd edition (Paris: Les Presses de Sciences Po, 2007).

America—but in reality came to exacerbate the already existing economic tension among the oil-producing countries, the expanding East Asian economies, and the rest. The 1967 Charter of Algiers, which set the framework for NIEO, had underlined how much all non-industrial economies had in common, especially in terms of economic demands:

The lot of more than a billion people of the developing world continues to deteriorate as a result of the trends in international economic relations; the rate of economic growth of the developing world has slowed down and the disparity between it and the affluent world is widening . . . although modern technology offers developing countries great possibilities to accelerate their economic development, its benefits are largely bypassing them due to its capital and skill incentive nature, and is drawing away from them such limited skills as are developed . . . The international community has an obligation to rectify these unfavorable trends and to create conditions under which all nations can enjoy economic and social well-being, and have the means to develop their respective resources to enable their peoples to lead a life free from want and fear.<sup>22</sup>

But by 1980 the differences among these economies—and therefore their economic interests—were as diverse as between them and the industrialized economies. The main problem for those who wanted to develop their industrial sectors was unstable energy prices.

The third part of the Third World's collapse was the interventionist offensive that the US administration of Ronald Reagan conducted exactly at the point when many Third World regimes were at their weakest. In Angola, Ethiopia, Afghanistan, and Nicaragua the United States supplied materiel and weapons to the opposition, in order to defeat radical regimes. In Cambodia they supported the Khmer Rouge and its allies in their war against Vietnam. Elsewhere debt ridden, politically weakened regimes sought their peace with the Americans as a condition for loans and market access. Overall, this probably had more to do with markets than with threats of armed intervention. But with China and, increasingly, the Soviet Union out of the picture, the Washington-consensus slogan TINA: "There Is No Alternative" (to a capitalist economy) began sinking in with many who had earlier supported the Third World project: by the late 1980s Zambia, for instance, was rapidly introducing privatization and market reform as a condition for International Monetary Fund (IMF) debt rescheduling.<sup>23</sup>

<sup>22</sup> "Charter of Algiers" (Algiers, October 10, 1967) <<http://www.g77.org/doc/algier~1.htm>>.

<sup>23</sup> It would of course be entirely wrong to argue that Reagan's interventionism was unprecedented; on Indonesia, see Stig Aga Aandstad, "Surrendering to Symbols: United States Policy toward Indonesia 1961–1965," MA thesis, University of Oslo, 1999 <<http://aga.nvg.org/oppgaver/dissertation.html>>, and on Chile, see Harmer, *The Rules of the Game*.

## The Eastern Asian metamorphosis

The changes that took place in Eastern Asia (by which I mean mainland and island Asia between Thailand and the Russian Far East), from the 1970s on, originated in domestic, regional, and international affairs. From a contemporary perspective the pace and multiple directions of the change seemed confusing; Japan was fast becoming the world's most dynamic economy; South Korea, Taiwan, Hong Kong, and Singapore were surging ahead as the "little dragons" of Eastern Asian economic development. But Vietnam and the rest of Indochina opted for Soviet-style communism, while the second-largest country in the region, Indonesia, seemed mired in an authoritarian statist development model with low growth. It was China that really came to set the pattern: by 1985 (or thereabouts) China had decisively broken with the rigid planning system that Marxism–Leninism had supplied it with, and was moving toward a market-driven economy. By the end of the decade Indochina and Indonesia were following suit. Eastern Asia embraced the market, embraced globalization, and had little time for those who still wanted to defend anti-capitalist Third World principles.

Much of this divergence in terms of principles of political economy had, of course, started in the previous decade. In the early 1960s there was little basic difference in terms of levels of output between countries in Southeast Asia and the newly independent states in Africa. But a decade later the difference between, say, Zambia and Singapore, both members of the Group of 77, which supported the NIEO, had become enormous in terms of their basic economies. Singapore's prime minister, Lee Kuan Yew, had been to Lusaka the first time for a very Thirdworldist non-aligned summit in 1964. He visited again in 1979, and was shocked by what he saw:

Everything was in short supply. The shops were empty. Imported toiletries were absent and there was little by way of local substitutes. [Mrs Lee; Kwa Geok] Choo saw women queuing for essentials. The only souvenir she could buy was a malachite egg, to remind us that Zambia was a single-commodity economy, copper, and its price had not kept up with the prices of oil and other imports. They had no foreign exchange, and their currency was rapidly depreciating. Prime Minister Kenneth Kaunda's major preoccupation was politics—black versus white politics—not the economics of growth for Zambia . . .<sup>24</sup>

Matters were made worse in Third World terms by China's wholesale defection from a state-centered development model in the early 1980s. That Lee Kuan Yew saw little to solidarize himself with in Zambia in 1979 was maybe

<sup>24</sup> Lee Kuan Yew, *From Third World to First: The Singapore Story, 1965–2000* (New York: Harper, 2000), 366.



not a surprise. That Deng Xiaoping—communist China’s powerful new boss—lectured Kaunda the following year on the need for rapid, market-induced development was a shock not just to the Zambian leader, but to other Third-worldists of the same generation. “It cannot be called socialism while the economy remains stagnant. It cannot be called socialism while people’s living standards remain very low,” Deng told Kaunda.<sup>25</sup> As Chen Jian has pointed out, China’s defection—both in political and economic terms—helped split the Third World apart and contributed significantly to the US offensive against radical regimes during the 1980s.<sup>26</sup>

But the sensational growth in Eastern Asia—and especially in China—would not have been possible if it were not for their easy access to American and—later—Western European markets. This market access has all to do with the Cold War and much less to do with Western appetite for cheap consumer goods (after all, there are significant periods in US history when this appetite has been equally high, but prevented by import barriers). The point is that successive US administrations, from Truman to Reagan, provided market access for their Cold War allies in order to stimulate economies and, eventually, defensive capabilities overseas. Of course there was also the hope that such links—for instance to China after 1972—would benefit the US economy. But the main effect was to give Eastern Asia a trade advantage that these countries were now in a position to use to their benefit.

China is, of course, the most unlikely of these cases. In 1972, when Mao Zedong was still in control, the only thing Beijing feared more than a Soviet attack was the subterfugeous reintroduction of capitalism. It wanted US military hardware, not US management models. But after Mao’s death and the military coup in 1976, Deng Xiaoping saw its strategic links with the United States as the basis for a turnaround of China’s economy. The Chinese method was to get as much as possible out of the Americans by telling them what Beijing assumed they wanted to hear: that the Soviet Union was a threat to world peace and that only a strong China could dam up Soviet advances in Asia. During Ronald Reagan’s hard-line administration, from 1981, the Chinese message was even more welcome than before, in spite of Reagan’s early concerns about not betraying old friends on Taiwan. Throughout the 1980s the United States treated China as a de facto ally, sharing sensitive intelligence information with it and giving it access to much needed technology that was sometimes unavailable to others outside the United States itself. Reagan’s purpose was to build China into a real threat to the Soviet Union, thereby

<sup>25</sup> *Renmin ribao* (People’s Daily), August 23, 2004.

<sup>26</sup> See Chen Jian, “China’s Changing Policies toward the Third World and the End of the Global Cold War,” in Artemy Kalinovsky and Sergey Radchenko (eds.), *The End of the Cold War and The Third World: New Perspectives on Regional Conflict* (London: Routledge, 2011).

putting pressure on the leaders in Moscow and reducing their capacity to intervene elsewhere. Reagan's friend, the US film producer Douglas Morrow—a savvy man, who could distinguish between stars and flops—toured China in 1981, and told the president that the Beijing leaders were “absolutely obsessed about Taiwan” and that any focus on the island's position would effectively prevent the United States from working with Deng and the Chinese leaders. And such cooperation was important, Morrow told the president:

I sure as hell don't know where they are going. I don't think they know. But they are *going* . . . It would be advisable not to be too paranoid, at this stage, about their being a communist state. There are hints that they might develop into some unprecedented hybrid . . . I think they will bend, twist, and adjust to whatever seems to abet their progress. And perhaps come up, eventually, with a mutant system which neither they nor the world have yet experienced.<sup>27</sup>

Already, during its first year in office, the Reagan administration offered China what it called a “strategic association” with the United States—in other words, a *de facto* alliance. Reagan also declared himself willing to sell sophisticated weapons directly to Beijing. As the Cold War again grew substantially colder in the early 1980s, Sino–American security cooperation expanded. US anti-communist campaigns in Afghanistan, Angola, and Cambodia were closely coordinated with the Chinese, and intelligence-sharing increased. And China's access to America's markets were secure, thereby setting the stage for the first phase of the country's remarkable economic boom. As they had done for Japan three decades earlier, the Americans even put pressure on their European allies to open up their markets to Chinese products.

## Cold War influences

The story of the interaction between the Third World and the Cold War is a complex one. It should be studied, I think, as part of the broader patterns of international and transnational history in the twentieth century, not simply as the rise and fall of anti-systemic Thirdworldist ideas. In many cases it would make sense to see the Third World as a specific project of solidarity among elites who had been oppressed by colonial powers and as an emerging program for undoing the injustices this oppression had created. In this larger sense it existed for about fifty years in the middle part of the century, roughly between the first League Against Imperialism meeting in Brussels in 1927 up

<sup>27</sup> Morrow to Reagan, November 30, 1981, Meese Files, box 19, Ronald Reagan Presidential Library, Simi Valley, CA.

to sometime between the 1966 Tricontinental Conference in Havana and the 1974 UN session on NIEO. It was a project bounded in time and geographical space, with some key states as its representatives.<sup>28</sup>

The Third World's involvement with the Cold War—in the form of the conflict between communism and its enemies—existed throughout this period. It is therefore right to reintroduce the contested concept of Cold War into key developments in the history of Africa, Asia, and Latin America over the past four generations. In intellectual terms, this is a process long overdue. But in order for it to succeed, historians will have to give up the idea that the Cold War was a narrowly defined battle between the United States and the Soviet Union, often portrayed as the determinant of events elsewhere. The Cold War, even in its global form, did not determine everything. But it influenced a lot of things. This, it seems to me, is now the most fruitful perspective: the Cold War was one of many key developments that shaped the world we see today, and probably the predominant feature of the international system in the latter half of the twentieth century. We may dislike the Cold War, both as a concept and a system, and we may want to de-center it, but we cannot dissolve it.

<sup>28</sup> For more on this discussion, see the conclusion in Byrne, "The Pivotal Nation."

# 8

## Nuclear Weapons and International Relations Since the End of the Cold War

*David Holloway*

### Introduction

Nuclear weapons were woven into the fabric of the Cold War from its beginning to its end. By the mid-1980s there were about 70,000 nuclear warheads in the world, and over 95 per cent of them were owned by the United States and the Soviet Union. Each side worked out elaborate doctrines for using these weapons in war, and each side sought ways of using nuclear threats for political purposes. Both sides were conscious of the devastating consequences that nuclear war would have for the human race, and they developed theories of deterrence and strategic stability to help them conduct their rivalry without precipitating nuclear war. Mutual understanding of the consequences of nuclear war, of the dangers of crises, and of the relationship between offensive strategic systems and missile defenses provided the basis for the Cold War nuclear order. That order was far from perfect. There were several crises in which the danger of nuclear war seemed very close, but the Cold War ended without such a war.

It was not nuclear weapons that brought the Cold War to an end: they did not cause the revolutions in Eastern Europe or the collapse of the Soviet Union. Nor did nuclear weapons give rise to our current international order, however we might characterize it—in terms of globalization, for example, or the clash of civilizations, the rise of China, the decline of the West. Nevertheless, nuclear weapons continue to play an important role in today's world. A new nuclear order has been emerging, though whether it will prove to be stable is not yet clear. This chapter will trace the emergence of that order and try to analyze how it will develop in the future.

### The Cold War legacy

Although widely regarded at the time as a failure, the Reykjavik summit meeting between Gorbachev and Reagan in October 1986 was a turning point on the path to ending the Cold War. The nuclear arms race had entered a phase of great intensity in the previous decade, with the deployment by the United States and the Soviet Union of new, more accurate intercontinental ballistic missiles (ICBMs) and submarine-launched ballistic missiles (SLBMs) armed with multiple warheads. Arms control negotiations had resumed in 1985, after a hiatus of almost two years, following NATO's deployment of ground-launched cruise missiles (GLCMs) and Pershing II missiles in Europe. Gorbachev was impatient with the progress being made and requested the meeting in Reykjavik in order to give a new impetus to the negotiations. He brought with him proposals that contained significant concessions by the Soviet side. He and Reagan discussed deep cuts in their nuclear forces, even going so far as to talk about the elimination of nuclear weapons. The negotiations were intense, but the meeting ended in frustration and disappointment. The two sides were unable to agree on limits on the US Strategic Defense Initiative (SDI), which Reagan had launched in March 1983 when he called on the scientific community to develop a ballistic missile defense that would render nuclear weapons "impotent and obsolete."<sup>1</sup>

The Soviet Union subsequently decoupled reductions in offensive forces from limits on SDI. That made it possible to incorporate proposals discussed at Reykjavik into arms control treaties. The Intermediate-Range Nuclear Forces Treaty (INF) Treaty, which eliminated the two countries' shorter- and intermediate-range (500–5,500 km) missiles, was signed in December 1987. The Strategic Arms Reduction Treaty (START I), which capped the number of deployed strategic nuclear warheads on each side at 6,000, was signed in July 1991. In September 1991, George H. W. Bush took the imaginative step of announcing the destruction of all US ground-launched short-range nuclear weapons, as well as the withdrawal to the United States of tactical nuclear weapons deployed on surface ships, attack submarines, and land-based naval aircraft. Eight days later Gorbachev reciprocated by announcing similar unilateral measures by the Soviet Union. Thus, in the final years of the Cold War (1986–91), the two sides made significant moves to bring the nuclear arms race to an end and to reduce their nuclear stockpiles.

In spite of these successes, the Cold War left a difficult legacy. After the break-up of the Soviet Union, ICBMs remained on the territory of Belarus,

<sup>1</sup> George P. Shultz, *Turmoil and Triumph: My Years as Secretary of State* (New York: Charles Scribner's Sons, 1993), chapter 36, and A. S. Cherniaev, *Shest' let s Gorbachevym* (Moscow: Progress, 1993), chapter 3.

Kazakhstan, and Ukraine, raising the prospect that three new nuclear weapon states would be created at a stroke. It was not immediately obvious that the three new countries would hand these missiles and their nuclear warheads over to Russia; active and creative diplomacy was required on the part of Washington and Moscow, as well as the governments of the three new states, to ensure that those three countries signed the Nuclear Nonproliferation Treaty (NPT) as non-nuclear weapon states in 1993 and 1994.

A second, more lasting consequence of the collapse of the Soviet Union was the threat that this posed to the security of the Soviet nuclear weapons complex. That complex had been embedded in the internal security structure of the Soviet state, and as the Soviet state collapsed, the fear arose that nuclear scientists, nuclear materials, or even nuclear weapons might find their way from Russia to other states, or into the hands of terrorist groups. This danger was a matter of great concern to the international community, as well as to the new Russian government. The United States, in cooperation with Russia, came up with creative approaches that enabled Washington (as well as the European Union and Japan) to fund programs—known as the Cooperative Threat Reduction programs—that would dispose of surplus nuclear materials, enhance the security of the Russian nuclear complex, and provide alternative research opportunities for scientists who had been involved in weapons development.<sup>2</sup>

The third element in the Cold War legacy consists of the large nuclear forces still held by the United States and Russia. Progress in reducing these forces has been disappointing when set against the political transformations of the last twenty-five years. In January 1993, the two countries signed the START II Treaty, which would have capped strategic nuclear forces at 3,000–3,500 deployed strategic nuclear warheads apiece. This treaty did not enter into force, however, because of disagreements over missile defense. In 1997, Clinton and Yeltsin agreed on the parameters for a START III Treaty with a limit of 2,000–2,500 deployed strategic warheads on each side, but no agreement was ever reached. The 2002 Moscow Treaty limited deployed strategic warheads to 1,700–2,200 on each side. The New START Treaty, which entered into force in 2011, commits the two sides to reduce the number of deployed strategic warheads to 1,550 over a period of seven years. In 2011, the total number of nuclear warheads in the world (including non-strategic and non-deployed warheads) was about 20,000, over 90 per cent of which belonged to the United States and Russia.

<sup>2</sup> Because Senators Sam Nunn and Richard Lugar played a key role in devising these programs and getting the necessary legislation enacted, they are often informally referred to as the “Nunn–Lugar program.”

The United States and Russia devoted considerable efforts to dealing with the Cold War legacy. The removal of strategic weapons from Belarus, Kazakhstan, and Ukraine was an unequivocal success from the point of view of nonproliferation. The Cooperative Threat Reduction programs appear to have been successful too, though assessment is more difficult because it is not easy to judge exactly how serious the danger was in the first place, and how significantly foreign aid helped in dealing with it.<sup>3</sup> Nevertheless, the goals of the overall effort appear to have been achieved, in the sense that there is no persuasive public evidence that nuclear scientists, nuclear weapons, or significant quantities of fissile material have passed from the Russian nuclear weapons complex into the hands of undesirable states or terrorist groups.

### Redefining the nuclear danger

The danger of a general nuclear war receded with the ending of the Cold War. It became even harder than during the Cold War to imagine the circumstances under which the United States or Russia would intentionally launch a nuclear attack on the other. The military confrontation in Central Europe disappeared in the early 1990s when Russia withdrew its armed forces and nuclear weapons from Eastern Europe and the newly independent states. The United States too, greatly reduced—but did not eliminate—its forces and nuclear weapons in Europe. There were several hundred nuclear warheads in Europe (excluding Russia) in 2011, compared with about 10,000 in the mid-1980s (excluding Soviet territory).

Perceptions of the nuclear danger have changed since the end of the Cold War, though not in the same way in every country. The effect was greatest in the United States. Washington quickly shifted its attention from its rivalry with the Soviet Union to the potential threat from rogue states and terrorists.<sup>4</sup> This shift was already implicit in the Cooperative Threat Reduction programs, which defined the threat from the Soviet Union/Russia not in terms of the number of nuclear warheads it possessed, but of the potential for leakage of knowledge, materials, and people. US Secretary of Defense Les Aspin put the issue succinctly when he introduced the Defense Counterproliferation Initiative in December 1993:

<sup>3</sup> But see Mark Gorwitz, "Vyacheslav Danilenko—Background, Research, and Proliferation Concerns," ISIS Report (Washington, DC: Institute for Science and International Security, 2011), 1–3.

<sup>4</sup> For a skeptical look see Michael Klare, *Rogue States and Nuclear Outlaws: America's Search for a New Foreign Policy* (New York: Hill & Wang, 1995).

The old nuclear danger we faced was thousands of warheads in the Soviet Union. The new nuclear danger we face is perhaps a handful of nuclear devices in the hands of rogue states or even terrorist groups. The engine of this new danger is proliferation.<sup>5</sup>

A new discourse emerged embracing prevention of the spread of nuclear weapons, not only by political means (nonproliferation), but also by the use of military force (counterproliferation).

For Russia, the end of the Cold War had different consequences. The top priority was keeping the nuclear weapons complex secure and intact in conditions of economic and political collapse. The second priority was maintaining strategic stability (defined as a secure retaliatory capability) with the United States through arms control negotiations if possible, but by new weapons programs if necessary. With the Russian army in disarray, nuclear weapons provided compensation for the weakness of its conventional forces. The government felt it was vital for political as well as military reasons not to lose the strategic parity the Soviet Union had struggled so hard to attain. Nuclear nonproliferation remained an important priority, but a lower one for Russia than for the United States.

For the other nuclear weapon states the end of the Cold War was less important, in part because their nuclear forces were so much smaller than those of the United States and the Soviet Union. Britain and France have reduced their nuclear forces, treating them largely as insurance in an unpredictable world. China has retained its policy of minimum nuclear deterrence and is now modernizing its small nuclear force. The threat that Israeli nuclear weapons are designed to meet has not disappeared. The nuclear dimension of the confrontation between India and Pakistan emerged into the open only in the 1990s. The main exception was South Africa, which decided to destroy its small nuclear stockpile at least partly in response to the decisive change in its strategic environment caused by the end of the Cold War.

The United States had sought from the beginning of the nuclear age to prevent other states, especially hostile ones, from acquiring nuclear weapons. It developed a common interest with the Soviet Union in stopping the spread of nuclear weapons, and this led to the signing of the NPT in 1968, and to the strengthening and creation of institutions to support the nonproliferation regime.<sup>6</sup> The Gulf War of 1990–1 added greatly to the concern about proliferation. After the expulsion of Iraqi forces from Kuwait, the UN Security Council

<sup>5</sup> Les Aspin, "The Defense Department's New Nuclear Counterproliferation Initiative" (address to the National Academy of Sciences, Washington, DC, December 7, 1993).

<sup>6</sup> George Bunn, "The Nuclear Nonproliferation Regime and its History," in George Bunn and Christopher F. Chyba (eds.), *US Nuclear Weapons Policy: Confronting Today's Threats* (Washington, DC: Brookings Institution Press, 2006), 75–125.



adopted a resolution prohibiting Iraq from acquiring or developing nuclear weapons and requiring it to inform the International Atomic Energy Agency (IAEA) about all the activities it had engaged in related to the development of nuclear weapons.<sup>7</sup> IAEA inspectors soon discovered that Iraq had organized extensive clandestine programs for uranium enrichment and nuclear weapons design. This was especially troubling because Iraq was a party to the NPT and had been subject to IAEA safeguards.

### **The nuclear nonproliferation regime**

In 1986 the five recognized nuclear weapon states (the United States, the Soviet Union, Britain, France, and China) had nuclear weapons; so too did Israel and South Africa. India had tested a nuclear device in 1974, but the decision to develop a nuclear arsenal came later, perhaps in 1988–90. Pakistan appears to have had a workable device at some point in the mid-1980s. In 1986 there were seven nuclear weapon states, plus two on the brink of possessing nuclear weapons. Today there are nine nuclear weapon states, if one counts North Korea. Over the last twenty-five years three states have ended their nuclear weapon programs or have had them ended by others. South Africa destroyed its nuclear weapons at the end of the Cold War; Iraq's nuclear weapons program was dismantled by the IAEA in the early 1990s; and Libya gave up its nuclear weapon program in 2003.

The great strength of the NPT lies in the almost universal acceptance of the norm of nonproliferation: the vast majority of the states in the world do not want to see nuclear weapons spread. The treaty entered into force in 1970, once 40 states, in addition to the three depository states, had signed it. By 1991, 145 states had signed the treaty. China and France signed in 1992, helping to move the norm of nuclear nonproliferation closer to universal acceptance. The prospects for strengthening the nuclear nonproliferation regime appeared to be good in the early 1990s. After vigorous diplomacy by a number of governments, including the Clinton administration, the NPT was extended indefinitely at the Extension and Review conference in 1995.

The NPT can be viewed as a set of bargains. The first is among the non-nuclear weapon states: they will forgo nuclear weapons as long as others refrain from acquiring them. The second is between the non-nuclear weapon states and those states that have nuclear technology: the former agree to forgo the development of nuclear weapons in return for help in developing nuclear energy for peaceful purposes. The third is between the states that have nuclear

<sup>7</sup> UNSC 687, April 3, 1991.

weapons and those that do not: the latter agree to forgo nuclear weapons as long as the former work for disarmament. The first and second of these bargains were crucial in inducing non-nuclear weapon states to sign the Treaty, but the significance of the third bargain has increased over time.

In 1968, when the United States and the Soviet Union signed the treaty, strategic arms control talks were only about to begin, and disarmament seemed a very distant prospect. In 1995 the Cold War was over, and the non-nuclear weapon states were less willing to look charitably on the failure of the nuclear weapon states to disarm. Alongside the decision to extend the NPT indefinitely, the 1995 Extension and Review Conference adopted a set of principles and objectives that emphasized the importance of disarmament. It stressed early completion of the Comprehensive Test Ban Treaty (CTBT), an early agreement on a Fissile Material Cut-off Treaty (FMCT), and strenuous efforts to reduce nuclear weapons globally, with the ultimate goal of disarmament.<sup>8</sup>

Progress toward these goals has been halting. The CTBT was signed in 1996, but it has not yet entered into force; the US Senate voted against ratification in 1999. Since 1996, however, the only nuclear tests have been the five conducted by India in May 1998, and the six Pakistani tests in the same month, as well as the two North Korean tests in 2006 and 2009. On the FMCT there have been no substantive negotiations. The Conference on Disarmament, where this treaty is supposed to be negotiated, works by consensus, and so far no consensus has been found to start negotiations. Efforts to reduce nuclear weapons globally have proceeded slowly. One consequence is that the bargain between the non-nuclear weapon states and the nuclear weapon states has become both more contentious and more salient.

One hundred and ninety states have signed the NPT, giving it almost universal adherence. But the NPT has two serious weaknesses. The first is that there are three states that have not signed the treaty and possess nuclear weapons: Israel, India, and Pakistan. The second is that some states that have signed the NPT have organized clandestine nuclear weapon programs.

## States outside the NPT

Israel was the first state apart from the five recognized nuclear states to make a nuclear bomb: it probably reached that point in 1967. It has pursued a policy of “nuclear opacity” ever since, neither confirming nor denying that it has

<sup>8</sup> Jayantha Dhanapala with Randy Rydell, *Multilateral Diplomacy and the NPT: An Insider's Account* (Geneva: UNIDIR, 2005), 165–75.

nuclear weapons.<sup>9</sup> It has pledged that it will “not be the first to introduce nuclear weapons into the Middle East.”<sup>10</sup> A similar policy was followed by other states in the 1970s and 1980s: Argentina, Brazil, South Africa, India, and Pakistan. Today all of these states have clarified their policy: India and Pakistan by conducting nuclear tests; the others by renouncing nuclear weapons. Israel, however, still maintains its policy of opacity, though nobody doubts that it has the bomb.

The policy of opacity is intended to be less provocative than a declared policy of nuclear deterrence. For four decades there has been no nuclear response to Israel from other Middle Eastern countries, but Israel now finds itself in an increasingly exposed position. The Iranian nuclear program has not only raised fears in Israel, but also stimulated interest in nuclear research in other countries in the region. The 1995 Extension and Review conference called for a nuclear weapon-free zone in the Middle East. The 2010 Review Conference reiterated that call and backed the convening of a conference in 2012, to be attended by all states of the Middle East, on the establishment of a Middle East zone free of nuclear weapons and all other weapons of mass destruction.<sup>11</sup>

For many years India and Pakistan pursued a policy akin to that of opacity; but in May 1998 they each conducted nuclear weapon tests. By the late 1980s both countries had begun to build nuclear weapons. India consistently resisted signing the NPT, denouncing it as discriminatory; Pakistan took the position that it would sign only if India did. India planned a test in 1995, but called it off under American pressure, after the US had obtained satellite photographs of preparations for the test. In 1998 the Indians made their final preparations at night to avoid surveillance by satellite. India’s decision to test was not just a technical one; it was a political decision to “come out” as a nuclear power, in defiance of US policy. Pakistan followed suit later in May. The government in Islamabad was under intense domestic pressure to match India; it resisted Washington’s strenuous efforts to persuade it not to do so.<sup>12</sup>

<sup>9</sup> The key text on opacity is Avner Cohen, *The Worst-Kept Secret: Israel's Bargain with the Bomb* (New York: Columbia University Press, 2010).

<sup>10</sup> This pledge was first made publicly by Israeli prime minister, Levi Eshkol, in 1964. See Avner Cohen, *Israel and the Bomb* (New York: Columbia University Press, 1998), 240. For a discussion of what the phrase may mean, see the exchange between Ambassador Yitzhak Rabin and Assistant Secretary of Defense Paul Warnke on November 12, 1968. Warnke said to Rabin: “Then in your view an unadvertised, untested nuclear device is not a nuclear weapon.” Rabin replied: “Yes, that is correct.” Memorandum of Conversation, p. 4. Accessed at <<http://www.gwu.edu/~nsarchiv/israel/documents/battle/12-04.htm>>.

<sup>11</sup> 2010 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons, *Final Document*, volume 1 (NPT/CONF.2010/50 (Vol. 1)), IV, 30, item 7. Accessed at <[http://www.un.org/ga/search/view\\_doc.asp?symbol=NPT/CONF.2010/50%20%28VOL.I%29](http://www.un.org/ga/search/view_doc.asp?symbol=NPT/CONF.2010/50%20%28VOL.I%29)>.

<sup>12</sup> C. Raja Mohan, *Crossing the Rubicon: The Shaping of India's New Foreign Policy* (New York: Palgrave Macmillan, 2004), chapter 7; Paul Kapur and Sumit Ganguly, *India, Pakistan, and the Bomb: Debating Nuclear Stability in South Asia* (New York: Columbia University Press, 2010).

The United States put pressure on both India and Pakistan not to develop nuclear weapons, and then, when they had them, not to test them; at various times it imposed sanctions on the two countries because of their nuclear activities. But the American interest in nonproliferation was not always consistent. Washington turned a blind eye to Pakistani nuclear activities in the 1980s when Pakistan was a crucial ally in supporting the Mujahideen against Soviet forces in Afghanistan. When Pakistan once again became a crucial American ally in a war in Afghanistan, the United States dropped the sanctions it had imposed after the 1998 tests. Washington's effort to persuade New Delhi to change its policy on nuclear weapons after the nuclear tests failed completely.<sup>13</sup> The Bush administration decided that it was much more important to enlist India as a friend and ally than to continue to impose futile sanctions on it. In 2008, the two countries signed a controversial agreement that allows India to cooperate with other countries in civil nuclear activities, in spite of the fact that it has nuclear weapons and is not a party to the NPT. This showed, once again, that nonproliferation policy does not (and perhaps cannot) trump all other political goals.

The Indo-Pakistani nuclear relationship mimics the Cold War rivalry of the United States and the Soviet Union, but there are several crucial differences. First, India regards its nuclear weapons as a deterrent against China as well as Pakistan, and China has helped Pakistan develop its nuclear industry including, according to some reports, providing it with the design of a nuclear warhead and testing a Pakistani warhead in China. This is a tripolar rather than a bipolar relationship. Second, direct conflict can take place at the level of low-intensity warfare, as well as conventional and nuclear warfare, and that has affected the calculation of risk on both sides. Third, the two main protagonists can appeal to outside powers—the United States as well as China—to tilt the bilateral balance, and that affects their rhetoric and their behavior. Pakistan as the weaker power has been more prone than India to do this.

Two crises since 1998 have raised the prospect of nuclear war between India and Pakistan. In 1999, Pakistan launched an attack across the Line of Control in Kashmir to seize the Kargil Heights. It did so apparently in the belief that Pakistani nuclear weapons would neutralize Indian conventional superiority, allowing Pakistan scope for guerrilla operations. The Clinton administration put severe pressure on Pakistan to withdraw behind the Line of Control, which it did.<sup>14</sup> The second crisis was triggered by the terrorist attack on the

<sup>13</sup> On this see Strobe Talbott, *Engaging India: Diplomacy, Democracy, and the Bomb* (Washington, DC: Brookings Institution, 2004) and Jaswant Singh, *In Service of Emergent India: A Call to Honor* (Bloomington, IN: Indiana University Press, 2007).

<sup>14</sup> Bruce Riedel, "American Diplomacy and the 1999 Kargil Summit at Blair House," Policy Paper Series (Philadelphia, PA: Center for Advanced Study of India, University of Pennsylvania, 2002).

Indian parliament in December 2001. India blamed the attack on Kashmiri groups supported by Pakistan and undertook a huge build-up of its forces along the Line of Control. The United States and Britain put pressure on Pakistan to stop terrorist incursions into India, but a further terrorist attack in May 2002 led India to put its forces on high alert, ready to go to war within a few hours. Once again, Washington intervened to help resolve the crisis. In October, India redeployed its troops away from the border. In the first crisis nuclear weapons appear to have emboldened Pakistan; in the second they seem to have acted as a restraint on both sides.

### **Clandestine nuclear programs**

Clandestine nuclear programs pose an even greater danger to the nonproliferation regime. The most egregious case is that of North Korea, which built up its nuclear industry in the 1980s and 1990s. It signed the NPT in 1985 as a non-nuclear weapon state, and withdrew in 2003, before conducting its nuclear tests. In June 1994 the United States and North Korea nearly went to war over the latter's nuclear plans. Kim Il Sung defused the crisis by agreeing to negotiations, which resulted in the Agreed Framework of October 1994, setting certain limits on the North Korean nuclear program in return for help with oil supplies and the construction of two light-water reactors in place of the more proliferation-prone graphite-moderated reactors North Korea was building.

The Agreed Framework proved difficult to implement; there were constant complaints from each side about the willingness of the other to put it into practice. For North Korea the agreement was fundamentally about the normalization of relations with the United States; for the United States it was primarily about preventing North Korea from acquiring nuclear weapons. An agreement seemed tantalizingly close at the end of the Clinton administration, but the Agreed Framework finally broke down in 2002–2003. Six-Party Talks, including both Koreas, the United States, China, Russia, and Japan began in 2003 in an effort to reach agreement on the denuclearization of the Korean Peninsula. There were moments of hope in 2005 and 2007 when joint documents were produced, but ultimately the talks proved unsuccessful. The Six-Party Talks collapsed in 2009.

An even more vexing issue for the international community has been the Iranian nuclear program. In the late 1980s, the Islamic regime began to buy centrifuge components for uranium enrichment. It claims it is creating the basis for a civilian energy program and has consistently denied that it plans to make nuclear weapons. It asserts that under Article IV of the NPT it has the right to build an enrichment plant for peaceful purposes, but the United States

and its allies have responded that Iran cannot invoke Article IV because its intentions are not peaceful—i.e. it is planning to build nuclear weapons. They want Iran to give up its uranium enrichment efforts. Iran has refused to do this, in spite of the offer of guaranteed supplies of low-enriched uranium (LEU) for Iranian reactors.

The current crisis came into focus in 2003, when the IAEA discovered that Iran had violated its commitments under the NPT by running a covert enrichment program and failing to disclose imports of nuclear materials. The IAEA Board of Governors found, in September 2005, that Iran was not in compliance with its Safeguards Agreement and referred the case to the UN Security Council, which, since 2006, has imposed four rounds of sanctions on Iran. These did not stop the Iranian nuclear program; nor did they remove concern about Iran's past activities.<sup>15</sup> Early in 2009 it was reported that Iran had accumulated sufficient LEU that, if converted to highly enriched uranium (HEU), would provide enough material for a bomb. When and how Iran might deploy nuclear weapons is not clear. It may be content to put itself in the position of being able to produce nuclear weapons quickly if it wishes to do so. Iran is pursuing its own variant of nuclear opacity. Early in 2012, both the United States and the Europeans imposed significantly stronger sanctions on Iran, while Iran agreed to new talks about its nuclear program. At the same time the Israeli government and some Republican politicians in the United States began to speak much more openly about the possibility of military strikes against Iran.

The United States has led the effort to halt the Iranian program, seeing it as a destabilizing factor in the Middle East and as a direct threat to the United States in the longer term. The Iranian threat (along with the North Korean) has served as a justification of US Ballistic Missile Defense (BMD) deployments in the United States and Europe, and these deployments have complicated relations with Russia and China. Israel has felt particularly endangered by the prospect of an Iranian bomb, seeing it as an existential threat. The provocative rhetoric of Mahmoud Ahmadinejad—Israel must be “wiped off the map”—has stoked Israeli fears.<sup>16</sup> The possibility of military action by Israel or the United States (or both) against Iranian nuclear sites has been widely discussed. Recent

<sup>15</sup> IAEA, *Implementation of the NPT Safeguards Agreement and Relevant Provisions of Security Council Resolutions*, Report by the Director General to the IAEA Board of Governors: GOV/2010/10 (Vienna: IAEA, February 18, 2010), 9. Accessed at <<http://www.iaea.org/Publications/Documents/Board/2010/gov2010-10.pdf>>.

<sup>16</sup> See Ewen MacAskill and Chris McGreal, “Israel should be wiped off map, says Iran's President,” *The Guardian*, October 27, 2005. Accessed at <<http://www.guardian.co.uk/world/2005/oct/27/israel.iran>>. See the footnote to the article with a link to a discussion of the correct translation of what Ahmadinejad said.

press reports indicate that Israel is conducting a campaign of sabotage, including the assassination of scientists, against the Iranian nuclear program.<sup>17</sup>

The North Korean and Iranian cases, different though they are in important respects, have exposed weaknesses in the nonproliferation regime. First, the NPT supports the use of nuclear energy for peaceful purposes while seeking to stop the proliferation of nuclear weapons, but it does not draw a clear line between civil and military programs, and this will become a more important issue if nuclear power spreads. A plant that can enrich uranium to 3–5 per cent for use in nuclear power plants can also enrich it to 90 per cent for use in bombs. A state can come very close to being able to produce nuclear warheads without breaching its obligations under the NPT, as long as it does not intend to produce nuclear weapons. But what if it is merely ambivalent, and wants to put itself in the position of being able, if it so decides, to move quickly to build nuclear weapons?<sup>18</sup>

Second, the safeguards regime implemented by the IAEA is intended to provide reassurance that countries that have nuclear programs are not diverting materials to the production of nuclear weapons. The Gulf War exposed serious weaknesses in the regime: Iraq had successfully hidden key elements of its nuclear program. The safeguards regime has been strengthened since then, but not every country has adopted the IAEA's Additional Protocol, which allows for more rigorous inspections. Besides, North Korea has at various times expelled IAEA inspectors, and Iran has restricted the access inspectors can gain to its facilities. The IAEA does not have the power to impose inspections on unwilling governments.

The third weakness is related to the second: the lack of an enforcement mechanism. Notwithstanding serious differences among its five permanent members, the UN Security Council (to which the IAEA can report on issues affecting international peace and security) has adopted resolutions imposing sanctions on North Korea and Iran, but so far these have not had the desired effect of bringing about a change in the policy of those two states. How can the nonproliferation regime be effective if states can disregard the actions the international community takes against them?

These two cases illustrate another disturbing feature of the current nuclear state of the world: illegal supply chains, which have made it possible for Syria and Libya, as well as Iran and North Korea, to acquire technologies—notably centrifuges for uranium enrichment—to help them in their clandestine programs. The Pakistani scientist A. Q. Khan was a central figure in the most

<sup>17</sup> Ulrike Putz, "Israels mörderische Sabotage-Strategie," *Spiegel Online*, August 1, 2011. Accessed at <[http://nachrichten.t-online.de/irans-atomprogramm-israels-moerderische-sabotage-strategie/id\\_48496002/index](http://nachrichten.t-online.de/irans-atomprogramm-israels-moerderische-sabotage-strategie/id_48496002/index)>.

<sup>18</sup> As in the case of Iran, there may of course be other indicators of a state's intentions—research related to warhead design, for example, or a ballistic missile program.

notorious of these black market networks, but other individuals and other countries have been involved as well. North Korea was apparently helping Syria to build an “undeclared” nuclear reactor before an Israeli air attack destroyed it in September 2007.<sup>19</sup> The emergence of clandestine supply chains has been worrying because it raises the possibility that states that could not acquire nuclear weapons on their own will be able to acquire them from abroad, in spite of limitations imposed by the NPT.<sup>20</sup>

## 9/11 and its repercussions

The attacks on the Twin Towers and the Pentagon greatly enhanced American apprehensions about proliferation and, in particular, the possibility that terrorists might get their hands on nuclear weapons. The chief danger was now to be found, in George Bush’s words, at the “perilous crossroads of radicalism and technology.”<sup>21</sup> Most Americans had seen the end of the Cold War as a victory, not only for the military-technological power of the United States, but also for American ideals and values. 9/11 produced a feeling of vulnerability—overwhelming military power could not prevent terrorist attacks—as well as a realization that there were people in the world who did not like the United States. It became common to ask: Why do they hate us? The combination of great power and great vulnerability proved to be a volatile mixture.

This combination was reflected in the National Security Strategy produced by the Bush administration in September 2002.<sup>22</sup> This gave priority to the use of preventive force on the grounds that, while deterrence based on the threat of retaliation had worked well in the Cold War, it was less likely to work against rogue states and terrorist groups. It became the focus of an intense debate about the need for, and the legitimacy of, preventive force. The Bush administration offered as the main justification for invading Iraq the need to prevent Saddam Hussein from reconstituting his biological, chemical, and nuclear weapons programs. Notwithstanding the criticism elicited by the war in Iraq, the National Security Strategy’s argument that preventive military action might be required in dealing with new nuclear threats has been widely accepted. The UN High-Level Panel on Threats, Challenges and Change, which Kofi Annan appointed in 2003, reported that:

<sup>19</sup> Paul Brannan, *ISIS Analysis of IAEA Report on Syria: IAEA Concludes Syria “very likely” built a reactor* (Washington, DC: Institute for Science and International Security, May 24, 2011).

<sup>20</sup> Gordon Corera, *Shopping for Bombs: Nuclear Proliferation, Global Insecurity, and the Rise and Fall of the A. Q. Khan Network* (Oxford: Oxford University Press, 2006).

<sup>21</sup> In his speech to the graduating class at West Point, June 1, 2002. Accessed at <<http://www.nytimes.com/2002/06/01/international/02PTX-WEB.html?pagewanted=2>>.

<sup>22</sup> See <<http://georgewbush-whitehouse.archives.gov/nsc/nss/2002/>> for White House, *National Security Strategy of the United States* (Washington, DC: The White House, September 2002).



in the world of the twenty-first century, the international community does have to be concerned about nightmare scenarios combining terrorists, weapons of mass destruction and irresponsible States, and much more besides, which may conceivably justify the use of force, not just reactively but preventively and before a latent threat becomes imminent.<sup>23</sup>

The most pressing nuclear threat today is terrorism, not a large-scale nuclear attack by one state against another.<sup>24</sup> Nuclear deterrence is much less useful in dealing with the former threat than with the latter.

### A world free of nuclear weapons?

In Prague, on April 5, 2009, Obama asserted America's commitment "to seek the peace and security of a world without nuclear weapons." "This goal will not be reached quickly," he continued, "perhaps not in my lifetime. It will take patience and persistence."<sup>25</sup> He also outlined a series of steps his administration would undertake to move disarmament forward, strengthen the NPT, and lessen the danger of nuclear terrorism. First, he promised to reduce the role of nuclear weapons in US national security strategy, to negotiate a new START Treaty with Russia by the end of 2009, to pursue "immediately and aggressively" US ratification of the CTBT, and to seek a verifiable FMCT. Second, he called for more resources and authority for the IAEA and international inspections, a new framework for civil nuclear cooperation (including an international fuel bank), and a structure that ensures that when any country breaks the rules, it will suffer consequences. Third, he proposed a new international effort to secure all vulnerable nuclear material around the world and a Global Summit on Nuclear Security in the next year; he also called for turning the Proliferation Security Initiative (PSI) and the Global Initiative to Combat Nuclear Terrorism into "durable international institutions."

Obama's speech drew on a well-established agenda of unfinished items in the area of arms control and disarmament. What was new was that he framed them in the vision of a world without nuclear weapons. His approach is not merely visionary, however. His goal is to strengthen the NPT. "The basic

<sup>23</sup> United Nations, *A More Secure World: Our Shared Responsibility. Report of the Secretary-General's High-Level Panel on Threats, Challenges, and Change* (New York: United Nations, 2004), 24.

<sup>24</sup> On the Russian approach, see *The Russian Federation and the Nonproliferation of Weapons of Mass Destruction* (June 2006), chapter 1. Accessed at <[http://www.pircenter.org/data/npr/white\\_book.pdf](http://www.pircenter.org/data/npr/white_book.pdf)>.

<sup>25</sup> Remarks by President Barack Obama, Prague, April 5, 2009. Accessed at <[http://www.whitehouse.gov/the\\_press\\_office/Remarks-By-President-Barack-Obama-In-Prague-As-Delivered/](http://www.whitehouse.gov/the_press_office/Remarks-By-President-Barack-Obama-In-Prague-As-Delivered/)>. Obama was clearly influenced by the initiative of the four eminent Cold Warriors who had called for a world free of nuclear weapons: George P. Shultz, William J. Perry, Henry A. Kissinger, and Sam Nunn, "A World Free of Nuclear Weapons," *Wall Street Journal*, January 4, 2007.

bargain is sound," he said in Prague. "Countries with nuclear weapons will move toward disarmament, countries without nuclear weapons will not acquire them, and all countries can access peaceful nuclear energy." This approach is based on the assumption that a discriminatory regime, in which some states possess nuclear weapons and others do not, will not be viable in the long run. His speech can be seen as a political wager: that as the nuclear weapon states move toward disarmament it will be possible to strengthen enforcement of the NPT against non-nuclear weapon states trying to acquire nuclear weapons.

The steps outlined in the Prague speech have proved more difficult to implement than was expected in 2009. The United States' 2010 Nuclear Posture Review did play down the role of nuclear weapons in US national security policy, though it did not go as far as adopting a policy of no first use, as some critics had hoped. In April 2010, the administration hosted an international summit conference on nuclear materials in Washington DC; the goal was to secure all vulnerable nuclear material around the world within four years—a probably unachievable goal, but one that is certainly worth pursuing. Negotiations on a new START treaty proved complex, and ratification by the US Senate contentious, but the treaty did enter into force in 2011. The prospects of having the US Senate ratify the CTBT in Obama's first term are, at best, uncertain. Negotiations on a Fissile Material Cutoff Treaty have not begun, because Pakistan, which is increasing its production of fissile materials, opposes negotiations.

On September 24, 2009 the UN Security Council held a summit meeting at which fourteen heads of state and government unanimously adopted Resolution 1887 reiterating the Security Council's support for nuclear disarmament and nuclear nonproliferation.<sup>26</sup> Even though all the nuclear powers are concerned about nuclear proliferation and nuclear terrorism, international cooperation will not necessarily be easy. In the first place, not all of the nuclear weapon states place these concerns at the top of their list of priorities, as the United States does. This has been evident in the response of the P5 states to the North Korean and Iranian nuclear programs. Chinese policy on the North Korean nuclear program, for example, has been influenced by the prospect of instability on the Korean peninsula and by the fear that the collapse of the North Korean state would lead to a reunified Korea allied with the United States. Second, some states—Russia and Pakistan, for example—rely on nuclear weapons to deter conventional attacks, as NATO did in the Cold War, and fear that the elimination of nuclear weapons might leave them

<sup>26</sup> The text of the resolution can be found at <<http://www.un.org/News/Press/docs/2009/sc9746.doc.htm>>.

vulnerable to coercion or even attack by countries that have more powerful conventional forces.

A third difficulty is that deep reductions will be needed in US and Russian nuclear forces if progress is to be made toward disarmament. The two sides cannot at present agree on the agenda for the next round of arms reductions: the issue of missile defense has reappeared to complicate reductions in nuclear forces. Mutual suspicion makes progress difficult: there is an evident lack of trust between the two countries. Institutional interests—weapons laboratories and military services, for example—can also present obstacles to further reductions. Besides, nuclear weapons policy in the United States and Russia is still framed in terms of Cold War notions of deterrence and strategic stability, and this too complicates the process of disarmament.

### Toward a new nuclear order?

The tradition of non-use has continued since the end of the Cold War, though there have been dangerous moments. The Indo–Pakistani conflict twice gave rise to fears that nuclear weapons might be used. In 1995, the Russian early-warning system identified a sounding rocket launched by Norway over the Barents Sea as possibly a Trident SLBM. The launch was communicated to the Russian president, but it was quickly established that the rocket posed no threat, and no Russian forces were put on alert. Some commentators have taken this as evidence of the danger of accidental nuclear war.<sup>27</sup>

The nuclear danger has been redefined since the end of the Cold War. In the first place, a global nuclear war is no longer the main worry, given the changes that have taken place in relations between the United States and Russia, though their relationship is still characterized by mutual deterrence. Second, nuclear weapons have become more tightly woven into regional politics, especially in South Asia, the Middle East, and on the Korean peninsula. Those conflicts contain within themselves the danger that nuclear weapons will be used; the settlement of those conflicts is essential if there is to be movement on the path to a world free of nuclear weapons. Third, nuclear proliferation has come to be seen by the United States in particular—and by many, but not all, governments—as the main nuclear danger. Their chief fear is that terrorist groups will acquire nuclear weapons or the materials for building them, perhaps with the help of rogue states. That is why the nuclear programs of Iraq, Iran, North Korea, and Libya, as well as the A. Q. Khan

<sup>27</sup> Pavel Podvig, "If It's Broke, Don't Fix It," *Bulletin of the Atomic Scientists*, 61:4 (July/August 2005), 21–2.

network, have been at the center of nuclear politics in the post-Cold War period.

As a result, nuclear deterrence no longer serves, as it did during the Cold War, as the organizing principle for the nuclear order. It retains its place in relations among the nuclear powers, especially in the conflict between India and Pakistan, but its role in preventing proliferation and nuclear terrorism is at best limited. Conventional deterrence and non-military forms of deterrence have begun to receive more attention in the United States in the effort to prevent terrorism, and it is likely that these explorations will continue. These approaches to deterrence lack the brutal clarity of deterrence through the threat of nuclear retaliation, but they may prove to be more effective in dealing with the danger of nuclear terrorism.

In order to meet the threats of nuclear proliferation and nuclear terrorism, governments have taken steps to ensure that nuclear warheads and nuclear materials are tightly secured. The Bush administration established the Proliferation Security Initiative in 2003 as a global effort to stop the trafficking of weapons of mass destruction, their delivery vehicles, and related materials. Bush and Putin launched the Global Initiative to Combat Nuclear Terrorism in 2006 to improve national and international efforts to prevent, detect, and respond to, a nuclear terrorist threat. These initiatives have enjoyed broad international support.

The most controversial issue is that of enforcement.<sup>28</sup> Nuclear weapons have not been used in war, but they have served as a *casus belli*, most notably in Iraq in 2003. The Bush administration promulgated the idea of using preventive force to stop rogue states and terrorist groups from acquiring nuclear weapons, but the Iraq War pointed up the difficulties of such an approach. Preventive force requires detailed and reliable intelligence, as well as clarity about the goals of the action. Moreover, the effects of the action may not be predictable. The Israeli attack on the Iraqi Osirak reactor in 1981 destroyed the reactor, but may have speeded up the Iraqi nuclear program.<sup>29</sup> The 2003 invasion of Iraq found that there was no nuclear program to shut down, but initiated a long and destructive war.

Preventive force raises questions about the legality and legitimacy of such action. Under what circumstances can states employ preventive force? Who—besides the UN Security Council—can authorize it? The principle of the “responsibility to protect” has been accepted by the UN Security Council as

<sup>28</sup> For a discussion in relation to a nuclear weapon-free world, see David Holloway, “Deterrence and Enforcement in a World Free of Nuclear Weapons,” in George P. Shultz, Sidney D. Drell, and James E. Goodby (eds.), *Deterrence: Its Past and Future* (Stanford, CA: Hoover Institution Press, 2011), 335–72.

<sup>29</sup> Målfrid Braut-Hegghammer, “Revisiting Osirak: Preventive Attacks and Nuclear Proliferation Risks,” *International Security*, 36:1 (Summer 2011), 101–32.

the basis for military intervention to protect civilian populations, as in NATO's 2011 operation in Libya. Is it conceivable that such actions might be authorized in the future by the Security Council to forestall nuclear proliferation? Discussions about a possible evolving nuclear order inevitably confront questions about the relationship between sovereignty and responsibility: are states immune from intervention only to the degree to which the international community regards them as acting responsibly, as abiding by their commitments to other states?<sup>30</sup>

Bush described Iran, Iraq, and North Korea as an "axis of evil" in 2002. He went to war with Iraq, which proved not to have a nuclear weapons program, but he was unable to stop the nuclear programs of the other two states. Will it be possible to construct a more effective nonproliferation regime? "Rules must be binding," Obama said in Prague. "Violations must be punished. Words must mean something. The world must stand together to prevent the spread of nuclear weapons." In his Prague speech, Obama outlined a future in which movement by the nuclear powers toward a world free of nuclear weapons would make it possible to create a more effective nonproliferation regime. Does that wager have a chance? If the CTBT enters into force, the FMCT is negotiated, and another round of US–Russian reductions takes place, will that make it possible to enhance the power of the IAEA and increase the rigor of international inspections? Is it conceivable that we will move toward a rule-based international nuclear order in which the rules can be enforced? Those are the central questions that the current nuclear state of the world raises.

<sup>30</sup> On the issue of "responsible sovereignty," see Bruce Jones, Carlos Pascual, and Stephen John Stedman, *Power and Responsibility: Building International Order in an Era of Transnational Threats* (Washington, DC: Brookings Institution Press, 2009), chapter 1.

# 9

## The Development of the Arms Race and How We Think About It

*Olav Njølstad*

In the last decade of the Cold War, public and expert opinions about the nuclear arms race and its relevance for international stability and peace changed dramatically. As one observer noted at the time:

In the early 1980s, when US arms spending rose rapidly after several years of stagnation, public concern about the arms race also increased rapidly. [...] The probability a run-away arms race would lead to nuclear war was seen as quite high. At the end of the 1980s, the [Intermediate-Range Nuclear Forces] INF agreement and the rapprochement between the superpowers have led many to the opposite extreme of declaring the arms race dead. This is premature, for two reasons: the East–West conflict has seen periods of lower tension and less intense arming—but the arms race re-emerged eventually; and [...], we are likely to see many *new* arms races, involving the smaller nuclear powers, the potential proliferators, Third World countries with unresolved border issues, etc. Many of these arms races may lead to wars or extremely wasteful arms acquisitions.<sup>1</sup>

Today, some twenty-plus years later, it makes sense to use this note as a point of departure for a brief examination of the arms race phenomenon, during and after the Cold War, and of how our understanding of it has evolved since the ending of US–Soviet rivalry. Which of the cited public perceptions of the Soviet–American arms race was the more accurate, according to post-Cold War scholarship? And to what extent has the stated prediction of new arms races come true?

I will start out with the broader question of how our understanding of the arms race phenomenon has evolved over the last twenty to thirty years.

<sup>1</sup> Nils Petter Gleditsch, “Research on arms races,” in N. P. Gleditsch and Olav Njølstad (eds.), *Arms Races: Technological and Political Dynamics* (London: Sage, 1990), 13.

Arguably, there is less division about the nature and role of arms races among the experts of today than there was a few decades ago. Particularly noteworthy, the views of “number crunching” political scientists and historians with a more qualitative approach, which used to be wide apart, have become more compatible, and on important issues even appear mutually supportive. Next, I discuss what implications, if any, the emerging consensus might have for our understanding of the East–West arms race during the Cold War. Here, my main conclusion is that the steady acquisition by the two superpowers of more powerful and effective conventional and nuclear armaments was indeed a major feature of the Cold War, but that it should be seen more as an asymmetrical, and partly unsynchronized, militarization of an ideological–political and geopolitical conflict than a spiraling action–reaction process heading for Armageddon.

As for impact, I argue that whereas the nuclear arms race did not cause the Cold War, it put its distinct mark on it, especially in the first and last decade of the East–West conflict. Finally, I briefly address the arms races of the post-Cold War era. So far, they have been remarkably few, and their impact on international peace and stability correspondingly small. Arms races, it seems, are less of a threat to international peace than to the economic well-being of nations. That being said, the moment we adjust our thinking about arms races to the multidimensional conflicts and security dilemmas of the twenty-first century, the picture may well change again.

### Understanding arms races: an emerging consensus on the horizon?

The nature of the arms race phenomenon—its features, causes, and possible effects—has been a contested issue among historians, political scientists and statesmen for more than a century. Indeed, by the end of the Cold War, numerous schools of thought had presented their perspectives on what arms races are, why they occur, and what implications they may have for international peace and stability. As Matthew Evangelista put it, there seemed to be more arms race theories than weapon acquisition decisions to explain.<sup>2</sup>

Over the last twenty-year period the explanatory field has both narrowed and widened up. It has narrowed in the sense that some of the theories and propositions that were still highly influential back in the 1980s have lost relevance and support. It has widened up in the sense that the walls and gaps that once separated the more important schools of thought, and prevented fruitful exchange between them, have indeed been lowered and partly

<sup>2</sup> Matthew Evangelista, “Case Studies and Theories of the Arms Race,” *Bulletin of Peace Proposals*, 17:2 (May 1986), 197.

bridged. Participants in the discourse have increasingly come to recognize that arms races are of many types, some of which are calling for quite different kinds of explanation. Thus, any comprehensive theory will have to offer more than just a single analytical perspective.<sup>3</sup>

What is an arms race, then?

A much cited definition by Colin S. Grey holds that an arms race is occurring when you have “Two or more parties perceiving themselves to be in an adversary relationship, who are increasing or improving their armaments at a *rapid* rate and restructuring their respective military postures with a *general* attention to the past, current, and anticipated military and political behavior of the other parties.”<sup>4</sup>

As pointed out by Bruno Tertrais, Grey’s definition has the double advantage of avoiding the alacrity and out-of-control connotations suggested by the term “race” while, at the same time, being restrictive enough to avoid the fallacy of counting any substantive development, progress, or build-up in weapons acquisition as evidence of an arms race.<sup>5</sup>

Equally important, Grey suggests that arms races, like war, serve a political purpose (the increase in armament is calibrated to balance or overtake the strengths of another state). In and by itself a rapid increase in military spending by two neighboring countries does not constitute a military competition or an arms race. To do so, the military build-up must be imbedded in some sort of rivalry between the two governments in which they seek to improve, or at least maintain, their relative power and influence, either toward each other or within the international system. As noted by Grant T. Hammond, if war is the continuation of politics by other means, “then arms races are the militarization of politics short of war.”<sup>6</sup>

More specifically, the emerging consensus among students of arms races is mirrored by their increasing support of three crucial propositions.

First of all, arms races cannot be caused and sustained by non-relational factors such as “Eigendynamik” or “technological momentum” alone. The claim of Dieter Senghaas and others that arms races are essentially “autistic” and “inner-directed” phenomena, is still in want of convincing empirical support.<sup>7</sup> This is not to say there are no Eigendynamik and technological

<sup>3</sup> Early advocates for the view that, in explaining arms races, we need to apply a combination of systemic, national and subnational levels of analysis, were Barry Posen, *The Sources of Military Doctrine: France, Britain and Germany Between the World Wars* (Ithaca, NY: Cornell University Press, 1984), and Grant H. Hammond, *Plowshares into Swords: Arms Races in International Politics, 1840–1991* (Columbia, SC: University of South Carolina Press, 1990).

<sup>4</sup> Colin S. Grey, “The Arms Race Phenomenon,” *World Politics*, 24:1 (October 1971), 40 [italics in the original source].

<sup>5</sup> Bruno Tertrais, “Do Arms Races Matter?” *The Washington Quarterly*, 24:4 (2001), 123.

<sup>6</sup> Hammond, *Plowshares into Swords*, 30.

<sup>7</sup> According to Dieter Senghaas, the notion of arms races as “other-directed” and primarily driven by action–reaction dynamics between two or more antagonists is “at least highly dubious,



momentum at work; only that military competition and arms races both spring from “conflicting purposes or mutual fears”—in short, rivalry between states.<sup>8</sup> This view can be traced back to the father of the English school of international relations, Hedley Bull. More recently, in his influential study of arms races and war in the 1850–1945 period, Paul Kennedy argued that arms races “are the reflection of complex political/ideological/racial/economic/territorial differences rather than phenomena which exist, as it were, of themselves [...]”<sup>9</sup>

Interestingly, Kennedy’s assumption has been confirmed by quantitative empirical analyses. In their 2011 survey of 220 rivalry dyads between 1816 and 2000, Toby Rider, Michael Findley and Paul Diehl found that, although most rivalries never experience an arms race, some 25 per cent do. Other findings were that the probability of an arms race between any pair of states “increases by over 80 per cent when moving from non-rivalry to rivalry,” and that those rare military build-ups that actually do occur in the context of non-rivalry “appear to be cases of coincidental arming, rather than actual interdependent arms races.”<sup>10</sup> In other words, for all practical purposes true arms races are caused by interstate rivalry.

Secondly, even if arms races are caused by interstate rivalry driven by perceptions of fear and insecurity, there is little or no evidence in support of Robert McNamara’s notion of a “mad momentum” making arms races, once started, almost impossible to control. Sure, the perception of threat by one actor may trigger an action–reaction process, with the opponent responding in kind. But there is nothing automatic in this; other outcomes are equally possible (for instance, an action–inaction process, or even a unilateral arms

if not completely false.” At least for the Cold War period, the armament decisions of the big powers and their allies had rather been “mainly inner-directed and less dictated by external forces. The self-centered imperatives of national armament policies have been far stronger than those which have resulted from the reciprocal interactions with the so-called potential enemy.” Dieter Senghaas, “Arms Race Dynamics and Arms Control” in Gleditsch and Njølstad, *Arms Races*, 15–30 (a slightly revised version of “Arms Race Dynamics and Arms Control in Europe,” *Bulletin of Peace Proposals*, 10:1 (February 1979), 8–19. See also D. Senghaas, “Towards an Analysis of Threat Policy in International Relations,” in Klaus von Beyme (ed.), *German Political Studies*, volume 1 (London: Sage, 1974), 59–103. Interestingly, by the end of the Cold War, Senghaas himself was calling for multilevel analyses of the arms race phenomenon. In 1990 he wrote: “An appropriate analysis of the armament problematique must take into account at least three levels of the problem: systemic confrontation (or power rivalry), armament competition, and armament dynamics.” D. Senghaas, “Systemic confrontation, Armament Competition, and Armament Dynamics,” in Gleditsch and Njølstad, *Arms Races*, 346–51.

<sup>7</sup> Grey was very conscious about this fact himself. See, for instance: Colin S. Grey, *The Soviet–American Arms Race* (New York: Saxon House, 1976), 4.

<sup>8</sup> Hammond, *Plowshares into Swords*, 34.

<sup>9</sup> Paul M. Kennedy, “Arms-races and the Causes of War, 1850–1945,” in *Strategy and Diplomacy 1870–1945: Eight studies* (London: George Allen & Unwin, 1983), 174.

<sup>10</sup> Toby J. Rider, Michael G. Findley and Paul F. Diehl, “Just part of the game? Arms races, rivalry, and war,” *Journal of Peace Research*, 48:1 (2011), 93, 97.

reduction by the other side in order to ease tensions). To start and sustain arms races a number of rational decisions have to be made. These may in turn be criticized, reconsidered, modified, or reversed, which is why there are many examples of aborted arms races as well as of arms races controlled or ended by mutual accord. With reference to historical examples of the latter two categories in the 1850–1945 period, Paul Kennedy refuted “that once-popular thesis about ‘the merchants of death’, that is, that armaments manufacturers pervert public policy, influence governments into excessive military expenditures, and are ultimately responsible for wars.” In Kennedy’s view, even more contemporary evidence suggest “that the thesis about the influence of arms manufacturers does not fit the facts, either as to the timing, or the direction, or the meaning of the current armaments spiral.”<sup>11</sup>

Grey made a similar point with reference to the Soviet–American arms race, which in his words was “littered with the blueprints and even prototypes of weapon systems that the United States did *not* deploy” (and this presumably holds true for the Soviet Union as well).<sup>12</sup> Also Rider, Findley, and Diehl found that arms races are controllable; albeit, in their sample of 220 rivalry dyads, forty-two out of fifty-three documented rivalries with arms races ended in war.<sup>13</sup>

Finally, the finding that arms races are caused by interstate rivalry, not the other way around, and may be started and ended by the exercise of political will, has the important implication that arms races cannot be a sufficient or necessary cause of war. Yet many experts still posit a direct or indirect causal relationship between the two. Apart from the spiraling action–reaction process suggested by Lewis F. Richardson, arms races are said to directly cause war or increase the likelihood of war for many different reasons, such as to “increase the influence of the military in decision making (Noel-Baker, 1958), lower trust (Sample, 1996), exacerbate the urge for pre-emption (Lambelet, 1975; Morrow, 1989; Weede, 1980), and encourage the use of shortcuts that result in misperception (Jervis, 1976)”; or, to indirectly cause war by undermining deterrence (Glaser, 2000).<sup>14</sup>

<sup>11</sup> Kennedy, “Arms-races and the Causes of War,” 173.

<sup>12</sup> Grey, *The Soviet–American Arms Race*, 6 [emphasis added].

<sup>13</sup> Rider, Findley and Diehl, “Just part of the game?” 93, Table III.

<sup>14</sup> Rider, Findley and Diehl, “Just part of the game?” 86. The publications referred to are: Philip Noel-Baker, *The Arms Race: A Programme of World Disarmament* (New York: Oceana, 1958); Susan G. Sample, “Arms races and escalation of disputes to war,” PhD dissertation, Vanderbilt University, 1996; John Lambelet, “Do arms races lead to war?” *Journal of Peace Research*, 12:2 (1975), 123–8; James D. Morrow, “A twist of truth: A reexamination of the effects of arms races on the occurrence of war,” *Journal of Conflict Resolution*, 33:3 (1989), 500–29; Eric Weede, “Arms races and escalation: Some persisting doubts,” *Journal of Conflict Resolution*, 24:2 (1980), 285–7; Robert Jervis, *Perceptions and Misperceptions in International Politics* (Princeton, NJ: Princeton University Press, 1976); and Charles Glaser, “The causes and consequences of arms races,” *Annual Review of Political Science*, 3 (2000), 251–76.

Assumptions like these are hard to test, and it is difficult to see how any of the suggested factors can possibly be more than a contributing cause of military conflict. In fact, there is strong reason to believe that there is no direct causal relationship whatsoever between arms races and war; only a spurious one. Noteworthy, Paul Kennedy came to this conclusion in his study of the pre-Second World War arms races, stating: "it is logically false to see the sequence as arms races *causing* war: what we would see, rather, is that antagonisms between nations often produce an arms race and *may* produce an armed conflict. Both of the latter phenomena are consequences of the former."<sup>15</sup>

The proposition that interstate rivalry is the main cause of both arms races and war, with the corollary that the relationship between arms races and war is a spurious one, finds some, but not full, support in recent quantitative analyses.<sup>16</sup> Thus, Rider, Findley, and Diehl found that, out of a total of 220 rivalry dyads, there were more wars caused by rivalry without arms races than by rivalry with arms races (52 versus 42). However, since the former category was far more numerous than the latter, consisting of 167 versus 53 dyads, the wars-to-rivalry ratio was much lower in rivalry dyads without than in those with arms races (31 versus 79, approximately). Still, they could find no positive correlation between arms races and war when the arms race occurred early in the life of the rivalry. Only when arms races occurred at a later stage, "in the context of mature rivalry," did a significant positive correlation emerge.<sup>17</sup> Again, this may actually indicate a spurious, rather than a causal, relationship since escalation to war is more likely to happen later in rivalry, after repeated disputes, regardless of whether there is an arms race or not.<sup>18</sup> According to a recent study, the introduction of an arms race in mature rivalries does not add much to the likelihood of war simply because "most all of the other risk factors are [already] present."<sup>19</sup>

In any case, the notion that arms races lead almost inevitably to war, which was once regarded as an iron law of international politics, has been proved historically false and statistically incorrect.<sup>20</sup>

<sup>15</sup> Kennedy, "Arms-races and the Causes of War," 174.

<sup>16</sup> Paul F. Diehl and Mark J. C. Crescenzi, "Reconfiguring the arms race-war debate," *Journal of Peace Research*, 35:1 (1998), 111-18; Paul F. Diehl and Gary Goertz, *War and Peace in International Rivalry* (Ann Arbor, MI: University of Michigan Press, 2000).

<sup>17</sup> Rider, Findley and Diehl, "Just part of the game?" 93. For a mainly similar conclusion, see: Douglas Gibler, Toby J. Rider and Marc L. Hutchison, "Taking arms against a sea of troubles: Conventional arms races during periods of rivalry," *Journal of Peace Research*, 42:2 (2005), 131-47.

<sup>18</sup> Paul R. Hensel, "An evolutionary approach to the study of interstate rivalry," *Conflict Management and Peace Science*, 17:2 (1999), 179-206.

<sup>19</sup> Paul Senese and John Vasquez, *The Steps to War: An Empirical Study* (Princeton, NJ: Princeton University Press, 2000), 245.

<sup>20</sup> This observation seems consistent with the statistical findings about the causation of militarized disputes presented by John Oneal in his chapter in the present volume.

## The Cold War arms race in retrospect

Back in the high days of the Cold War, it was widely assumed that the Soviet–American rivalry was imbedded in a spiraling and potentially dangerous arms race, in particular with respect to nuclear weapons. Indeed, to many laymen and experts alike, the nuclear arms race stood out as the very essence of superpower rivalry. To some, the term “arms race” almost became shorthand for Cold War rivalry itself.<sup>21</sup>

Does this interpretation of the Cold War seem reasonable today, some twenty years after its peaceful ending and in light of the emerging consensus among arms race theorists? In the following I will present four propositions about the role and nature of the military competition in the Cold War that address different aspects of this question.

*Proposition 1: In terms of relative military spending the Soviet–American military competition in the Cold War may not fully qualify as an arms race, at least not a permanent one. That being said, military expenditure may not be the crucial criteria in this particular case.*

Was the Cold War an arms race?

In order to answer that question properly, we must return for a moment to the criteria suggested by Grey: “A perceived adversary relationship between two or more states whose governments are increasing or improving their armaments at a *rapid* rate and restructuring their respective military postures with a *general* attention to the past, current, and anticipated military and political behavior of the other parties.”<sup>22</sup> Whereas few experts will question that the Cold War relationship between the Soviet Union and the United States was a truly hostile one, and that their respective military postures reflected, to a considerable extent, how they perceived each other’s military capabilities and intentions, serious doubts have been raised as to whether the two parties were involved, strictly speaking, in a *race*. How much of their gross national product (GNP) did the superpowers spend on armaments? Did they really increase or improve their military forces at such a rapid rate that it qualifies as an arms race?

The answer to these questions will depend on how one defines “rapid rate.” Many students of arms races prefer applying a simple quantitative indicator, such as an increase in the annual military spending of the parties involved by 8 per cent or more for at least three successive years,<sup>23</sup> or, alternatively, that

<sup>21</sup> Hammond, *Plowshares into Swords*, 227.

<sup>22</sup> Grey, “The Arms Race Phenomenon,” 40 [italics in the original source].

<sup>23</sup> Rider, Findley and Diehl, “Just part of the game?” 90.

the parties maintain an annual military spending of at least 8 per cent of their GNP for a similar period of time.<sup>24</sup>

According to Western estimates, annual Soviet defense expenditure as a proportion of GNP was constantly, although with some fluctuations, well above 8 per cent. Even if it rose and fell from the end of the Second World War to 1960, the annual growth rate still averaged some 9–11 per cent. From then onwards, there was a continuous increase in Soviet defense spending for more than twenty years.<sup>25</sup>

Since no reliable figures were ever offered by the Soviet government itself, exactly how to measure the level of Soviet military spending became an intensely debated, and extremely politicized, issue among Western experts, especially in the 1970s. From what we now know, Soviet military expenditure rose sharply from 1959 till the end of the 1960s, and then consumed a steady 14 per cent of GNP throughout the 1970s and early 1980s, with an annual growth rate of 4–5 per cent in the first half of the 1970s and considerably less—perhaps down to 2 per cent—in the second half, reflecting the increasing economic inertia of the Brezhnev years.<sup>26</sup> From 1982–3 onwards, annual growth in military spending increased once again, leading to an extremely heavy defense burden as the Soviet economy first stopped growing and next started to contract. The defense sector was by now consuming almost one-third of the total expenditure of the Soviet government. In 1987, Mikhail Gorbachev halted the rise in military outlays as part of his new economic reforms program, *Perestroika*. Consequently, in the years 1989–91, military spending dropped more than 17 per cent.<sup>27</sup>

In short, from the early 1950s until the late 1980s the former Soviet Union was consistently spending 9 per cent or more of its GNP on national defense—thereby, by a good margin, fulfilling one of the main numerical criteria of taking part in an arms race.<sup>28</sup>

But it takes two to tango. What about the United States? Did the Americans, too, maintain such a high level of military spending that it makes sense to describe it as arms racing?

Among the first to question the notion of the Cold War as an arms race was Albert Wohlstetter. In a two-part article published by *Foreign Policy* in the summer and fall of 1974, Wohlstetter argued that, of the two superpowers, only the Soviet Union was actually racing. Since the early 1960s, he claimed,

<sup>24</sup> Hammond, *Plowshares into Swords*, 49.

<sup>25</sup> Hammond, *Plowshares into Swords*, 225; David Holloway, *The Soviet Union and the Arms Race* (New Haven and London: Yale University Press, 1983), 118, Table 6.2.

<sup>26</sup> David M. Walsh, *The Military Balance in the Cold War: US Perceptions and Policy, 1976–85* (London and New York: Routledge, 2008), 191.

<sup>27</sup> *SIPRI Yearbook 1992* (London: Oxford University Press, 1992), 207.

<sup>28</sup> Holloway, *The Soviet Union and the Arms Race*, 118, Table 6.2.

the United States had persistently reduced, in relative terms, its spending on strategic nuclear weapons, whereas the Soviet Union had done exactly the opposite. Thus, even if there was political rivalry and military competition between the two, there was no race.<sup>29</sup>

There is little doubt that Wohlstetter, together with neo-conservative pressure groups such as The Committee on the Present Danger, was instrumental in lifting the alleged Soviet military out-spending of the USA to the top of the US political agenda. This, in turn, paved the way for the notorious Team B report and the following “window of opportunity” scare among influential US national security experts in the second half of the 1970s. But did Wohlstetter’s original claim, that there was no arms race since only the USSR was racing, really make sense?

The answer, it seems, is both ‘yes’ and ‘no’.

No doubt, the development of US military spending in the Cold War shows a very different trajectory from that of the USSR. According to official figures, the annual defense expenditure of the USA as a percentage of GNP was in steady decline from 1954 until the late 1970s. As summarized by Hammond, the main trends were:<sup>30</sup>

Postwar demobilization, 1947–1950:	4.9%
Korean War build-up, 1951–1954:	12.2%
Bomber and missile gap scares, 1955–1962:	10.1%
Dawning of MAD, 1963–1965:	8.4%
Vietnam War peak, 1966–1968:	8.8%
Essential equivalence, 1969–1976:	6.8%
Carter years on average:	4.9%
Reagan years on average:	6.1%

When looking at these numbers, it is important to keep in mind that expenditure for war is, by definition, not outlays for arms racing. The above figures for the years of the Korean War (1950–3) and Vietnam War (1963–73) do include the US war effort; without it, the level of US military spending would have been below 8 per cent of GNP also in the 1960s. This implies that since the end of the Second World War, there are only eight out of forty-four years—more specifically, the 1954–62 period—when US outlays for defense per annum surpassed the 8 per cent of GNP criteria. As Hammond puts it: “This is hardly an arms ‘race’.”<sup>31</sup>

<sup>29</sup> Albert Wohlstetter, “Is there a Strategic Arms Race?” *Foreign Policy*, 15 (Summer 1974), 3–20; Albert Wohlstetter, “Rivals, but no Race,” *Foreign Policy*, 16 (Fall 1974), 48–81.

<sup>30</sup> Hammond, *Plowshares into Swords*, 230.

<sup>31</sup> Hammond uses some other figures to prove his point as well: “If we look at the entire post-Second World War period, US defense expenditure has risen and fallen erratically. From 1945

## The Development of the Arms Race and How We Think About It

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Before we jump to the same conclusion, however, a few more factors need to be considered.

First of all, we may ask whether it really makes sense to apply any fixed numerical indicator, such as 8 per cent of GNP in annual military spending, when one of the rivals involved is economically superior to the other. If the stronger part, in this case the USA, did spend only what it believed to be necessary to improve or maintain its military position vis-à-vis the weaker party, and the Soviet Union's military expenditure consumed more than 8 per cent of its GNP, then it would seem appropriate to speak of an arms race, even if the USA spent considerably less than 8 per cent of its GNP on armaments. Grey's arms race definition allows for this possibility since the only thing it asks for is that the parties do increase or improve their military forces at a *rapid rate*, without further specification.

Secondly, the records show that in certain periods of the Cold War—namely the 1950s and the early and mid-1980s—the military competition between the superpowers was so intense that it fulfilled, or came very close to fulfilling, even the strict numerical criteria of an arms race. In the 1950s both superpowers spent, on average, 8 per cent or more of their GNP on armaments per annum, whereas in 1982–6 annual average Soviet military expenditure consumed more than 14 per cent of the Soviet GNP, while the USA was spending a little above 6 per cent and was increasing its military expenditure at a very rapid rate (the annual growth rate for the years 1982–6 was 8.1, 8.6, 5, 8.9 and 6.1 per cent, respectively). By 1987, when the Reagan build-up started to level out, the annual national defense outlays of the USA had increased by 53.1 per cent, compared to what they were in 1980.<sup>32</sup> Even if the share of GNP did not reach 8 per cent, the overall defense effort was so huge, and the increase in expenditure so rapid, it would seem almost ridiculous not to call it an arms race.

Thirdly, even in the periods when its military spending was considerably less than 8 per cent of GNP, the United States was still racing, only with less expensive means. The 1960s and 1970s saw a big leap forward in US technology and strategy with respect to nuclear weapons. Accuracy and survivability became more important than numbers and yield. The emerging multiple independently targetable re-entry vehicle (MIRV) technology made it possible to increase offensive capabilities without increasing the number of strategic missiles. Other promising technologies—such as cruise missiles and stealth aircraft—also gave reason to believe that the steady quantitative build-up of Soviet strategic forces could be balanced by qualitative means. All things

through 1991, it rose eighteen years and fell twenty-seven years and remained constant in one, a five to three ratio on the declining side." Hammond, *Plowshares into Swords*, 229–30.

<sup>32</sup> *SIPRI Yearbook 1992*, 191, 197.

considered, the 1960s and 1970s were not so much a question of the USA quitting the race, as of exploiting comparative advantages in order to hold its own at the least possible cost.

*Proposition 2: In the Cold War, nuclear weapons served as symbolic measurements of destructive power, or—in Thomas Schelling’s phrase—of “power to hurt,”<sup>33</sup> which helped the two superpowers apprehend the strategic military balance in roughly similar ways. The main function of the Cold War nuclear arms race was to secure that balance.*

It took time for the decision makers in Washington and Moscow to fully comprehend the implications of the nuclear revolution. By the end of the 1950s, however, the essential workings of the new era had indeed dawned upon the national security experts in both East and West. Apart from the Cuban missile crisis, the superpowers withstood the temptation to use their nuclear forces to intimidate the other, gain political or territorial concessions, or in some other way reorder the status quo.<sup>34</sup> Sure, Moscow sought parity with the US in strategic forces as a means to be internationally recognized as a true superpower, on a par with the USA. But since the US government essentially allowed this to happen—by slowing down its build-up of strategic nuclear forces exactly as the Soviets started its build-up in earnest—the emerging parity was a product of both competition and cooperation. This is what really makes the nuclear arms race between the US and the USSR, at least from the 1960s onwards, so special. The purpose of the build-up was neither superiority nor intimidation, but parity and deterrence, and along their way to this new state of equilibrium the superpowers began to exchange information about their nuclear forces, installed the Hot Line, accepted strategic surveillance by national means, and decided, eventually, to negotiate arms control agreements that would codify and secure the strategic balance even more. As summarized by Hammond (my emphasis added): “Though it has many of the attributes of pre-nuclear arms races, the essence of this superpower rivalry is *the opposite* of an arms race. It is *managed parity and control, not an uncontrolled rush toward superiority.*”<sup>35</sup>

Why would the United States, at the peak of its economic and military might, allow its main rival to catch up in strategic nuclear forces? Clearly there were several factors at play in this process. First of all, most Americans

<sup>33</sup> Thomas C. Schelling, *Arms and Influence* (New Haven, CT: Yale University Press, 1966), v.

<sup>34</sup> Tellingly, Richard K. Betts, who seems to have been inspired by an ambition to prove the exact opposite, reached the conclusion that “Attempts at nuclear coercion during the Cold War were ambiguous in execution and uncertain in effect [...]” Richard K. Betts, *Nuclear Blackmail and Nuclear Balance* (Washington, DC: Brookings, 1987), 227.

<sup>35</sup> Hammond, *Plowshares into Swords*, 234.



saw the unprecedented high peacetime level of military spending reached in the 1950s as being unhealthy for the national economy in the long run. President Eisenhower's farewell speech, warning about the "military industrial complex," may have made American voters even more doubtful about the need for more and better weapons. Also, the growing US involvement in the Vietnam War called for a shift of priorities within the defense sector.

However, in and by themselves, none of these factors was a compelling reason for such a fundamental change of nuclear policy. Rather, what happened was that US decision makers, heavily influenced by civilian defense experts and think-tank strategists had, by the late 1950s, come to realize that nuclear weapons could not be used for intimidation of other major nuclear powers—only for deterring them—and that, for the purpose of deterrence, rough parity, supported by an assured second-strike capability, would be good enough. With an increasing number of its strategic missiles placed on nuclear-powered submarines, the US government felt confident that it had, and would have in the foreseeable future, an assured massive retaliation capability that could not be offset by any likely increase in the offensive nuclear forces of the Soviet Union. At the same time, they also realized that it would not add much in terms of security for the US to sustain its build-up of land-based and airborne nuclear forces since the only thing that could possibly be achieved by this was to provoke fears in Moscow that the Soviet second-strike capability might not be assured. Since such fears could have a potentially destabilizing effect, it would seem rational, from an American perspective, to allow the Soviets to achieve a rough parity, or even a slight edge, in land-based strategic forces.<sup>36</sup>

In this sense, the Soviet–American competition in strategic weapons was partly a cooperative game. For nuclear deterrence to work in a non-destabilizing way, some sort of cooperation, communication, and mutual restraint was being called for. It is hard to find examples of the same mechanism of restraint in the arms races of the pre-nuclear past.

*Proposition 3: Although the military competition between the Cold War super-powers was only a symptom of their underlying political–ideological and geopolitical conflict, the symptom, as in previous arms races, was widely perceived to be the main cause of the disease.*

<sup>36</sup> Michael Charlton, *From Deterrence to Defense: The Inside Story of Strategic Policy* (Cambridge, MA: Harvard University Press, 1987), 4–5; Lawrence Freedman, *The Evolution of Nuclear Strategy* (New York: St. Martin's Press, 1983), 251–3; Loren B. Thompson, *The Emergence of American Central Nuclear Strategy 1945–1984*, volume I (Washington, DC: Georgetown University, UMI Dissertation Services, 1987), 334–8.

There were at least two versions of this fallacy of putting the effect before the cause—*pro hoc, propter hoc* in Latin—that influenced the political discourse of the Cold War, especially in the open societies of the West.<sup>37</sup>

The first held that the nuclear arms race was indeed a main, if not *the* main, cause of the Cold War. Allegedly, it was Hiroshima, and the preceding Anglo-American decision to keep Stalin in the dark about the Manhattan Project, that triggered the fears, suspicions, and distrust in Moscow that destroyed the Second World War alliance in the first place, and paved the way for the hostile rivalry of the early Cold War.<sup>38</sup> Thereafter, the H-bomb decision, the thermo-nuclear atmospheric tests, the perceived bomber and missile gaps, and their subsequent US responses, deepened the mistrust even further, and drove the superpowers toward the brink. This tendency to blame the Cold War on the nuclear arms race was particularly articulated in the 1950s and 1980s; that is, the two periods of the Cold War when the military competition between the superpowers took the form of an intense nuclear arms race. In the 1950s, arguments of this sort were often made by the organized peace movement as well as by many liberal and leftist politicians. In the 1980s, the Nuclear Freeze movement, transnational elite networks, and epistemological communities—such as International Physicians for the Prevention of Nuclear War, and representatives of the New Left—were advocating similar views.<sup>39</sup>

In contrast, the years of managed parity in the 1960s and 1970s saw a more optimistic corollary of the original fallacy. It held that, since the nuclear arms race was driving the Cold War, nuclear arms control and disarmament would be the best means to dissolve the East–West conflict. This thesis won wide acceptance among independent experts, political pressure groups, and governmental agencies and bureaucrats who were in favor of arms control negotiations with the Soviet Union, such as the US Arms Control and Disarmament Agency and its influential Director, Paul C. Warnke. Even hard-nosed Soviet leaders would occasionally pay lip service to this view. For instance, foreign minister Andrei Gromyko once told his American colleague Cyrus Vance that there were many keys to resolving numerous outstanding world problems, but they were all locked in a box to which there were only two keys, and that the US and Soviet governments could lay their hands on those many keys “only by opening the box with these two keys, keys of keys as it were.” These

<sup>37</sup> Generally speaking, the fallacy of *pro hoc, propter hoc* consists in putting the effect before the cause. David Hackett Fischer, *Historians' Fallacies: Toward a Logic of Historical Thought* (New York: Harper, 1970), 169.

<sup>38</sup> For a later adoption of this line of reasoning by a revisionist historian, see Gar Alporovitz, *Atomic Diplomacy: Hiroshima and Nagasaki: The use of the Atomic Bomb and the American Confrontation with Soviet Power* (London: Secker & Warburg, 1965).

<sup>39</sup> A typical example is Carl Sagan and Richard Turco, *A Path Where No Man Thought: Nuclear Winter and the End of the Arms Race* (New York: Random House, 1990).

treasured keys of keys were, in Gromyko's mind, the signing of SALT II, and the conclusion of further strategic arms limitation agreements.<sup>40</sup>

Gromyko may not have believed in this himself, but he had strong reason to believe that the new US president, Jimmy Carter, did. Carter frequently claimed that "The core of détente is the reduction in arms." In the end, it turned out he was right—but not in the way he was thinking: Détente was arms control—and very little else, which is why the legitimacy of détente broke down when the SALT process lost momentum. It then became unmistakably clear that arms control could *not*, in and by itself, reverse and resolve the competition in nuclear arms. More important, the fall of détente also put into question the thesis, which Carter himself subscribed to, that strategic arms control would pave the way for more cooperation in other areas. What many people saw instead was that, in spite of many successive years of US restraint and almost a decade of arms control, the ideological-political and geopolitical competition between the superpowers was intensifying once again.<sup>41</sup>

Proposition 4: *Whereas other factors were probably more decisive, the nuclear arms race nevertheless played a distinct and important role in both the formation and peaceful ending of the Cold War.*

This chapter is not about whether nuclear weapons caused, or were essentially irrelevant to "the long peace." In my judgment, strategic nuclear weapons *did* add to deterrence, and still do. At the same time, as John Mueller has rightly pointed out, the leaders in Moscow and Washington had plenty compelling reasons to avoid war with each other, even without the bomb.<sup>42</sup> Nuclear weapons also posed potential dangers of their own, so they were not simply great stabilizers. At the end of the day, the main reason why the Cold War never turned into another world war had less to do with military hardware than with human software. As Leonid Brezhnev told Gerald Ford at their Vladivostok summit meeting in November 1974, the technicalities of arms control negotiations tended to obscure the larger truth that "we don't intend ever to attack you."<sup>43</sup>

<sup>40</sup> Memorandum of Conversation, A. A. Gromyko and C. Vance, Moscow, March 28, 1977. Carter-Brezhnev Collection, National Security Archive, Washington, DC.

<sup>41</sup> Olav Njølstad, "Keys of Keys? Salt II and the Breakdown of Détente," in Odd Arne Westad (ed.), *The Fall of Détente: Soviet-American Relations during the Carter Years* (Oslo: Scandinavian University Press, 1997), 34–71.

<sup>42</sup> John Mueller, "The Essential Irrelevance of Nuclear Weapons: Stability in the Postwar World," *International Security*, 13:2 (Fall 1988), 55–79. For a different view, see John L. Gaddis, *The Long Peace: Inquiries into the History of the Cold War* (New York and Oxford: Oxford University Press, 1987).

<sup>43</sup> Melvyn P. Leffler, *For the Soul of Mankind: The United States, the Soviet Union, and the Cold War* (New York: Hill & Wang, 2007), 245–6.

But apart from the unanswerable question of whether nuclear weapons were essential for “the long peace,” in what ways did the nuclear arms race influence the evolution of the Cold War?

To begin with, nuclear weapons put their distinct mark on the initial stage of the East–West conflict. As David Holloway spells out in *Stalin and the Bomb*, the Soviet leader was adamant that the United States should not be able to use its monopoly in nuclear weapons to intimidate the Soviet Union. The new challenge that dawned upon the Soviet leader in the aftermath of Hiroshima and Nagasaki did not change his general outlook on world affairs; nor did the US monopoly change the direction of Soviet foreign policy in a way that, in and by itself, can be said to have caused the Cold War. But, in Holloway’s words, “the steps Stalin took to counter the threat of atomic diplomacy did contribute to the breakdown of the wartime alliance, and to the tensions of the Cold War.”<sup>44</sup>

It has been speculated whether the Cold War could have been avoided had Stalin been informed about the bomb at an earlier stage, or if the US had refrained from using it against Japan and offered to give up its small nuclear arsenal after the war in favor of international atomic energy control. Holloway rejects this notion, arguing that, regardless of American offers and self-restraint, Stalin would still have wanted “a bomb of his own.”<sup>45</sup> More recently, Campbell Craig and Sergey Radchenko have added further weight to the same conclusion.<sup>46</sup>

The nuclear arms race had a graphic impact also on the transformation of US–Soviet relations in the 1980s. It is well known, from political memoirs and primary sources, that the nuclear arms race and the risk of unintentional nuclear war had a profound influence on the thinking of both Ronald Reagan and Mikhail Gorbachev. They realized that the nuclear arms race was a waste of resources and talent; that nuclear war could produce no winners, only losers; and, that the continued build-up of nuclear arms would not make either the Soviet or American people more safe. For all these reasons, Reagan and Gorbachev wanted to reverse the nuclear arms race and reduce the role of nuclear weapons in Soviet–American relations. The INF Treaty in particular helped pave the way for the improved international climate that Gorbachev badly needed in order to pull out other, perhaps even more important, political concessions to the West, and to speed up domestic reform.

A far more controversial question is whether the US military build-up in the 1980s, especially in nuclear weapons, was in fact the main cause of the peaceful ending of the Cold War. This claim is an essential part of the

<sup>44</sup> David Holloway, *Stalin and the Bomb* (New Haven and London: Yale University Press, 1994), 368.

<sup>45</sup> Holloway, *Stalin and the Bomb*, 370.

<sup>46</sup> Campbell Craig and Sergey Radchenko, *The Atomic Bomb and the Origins of the Cold War* (New Haven and London: Yale University Press, 2008), 160–70.

argument of the so-called “Reagan victory school,” which holds that the military build-up of the first Reagan administration in general, and the Strategic Defense Initiative (SDI) program in particular, forced Moscow to increase Soviet outlays for defense far above what the already over-burdened Soviet economy could handle and, next, convinced the Soviet leadership that the USSR could no longer afford to compete militarily with the USA. Gorbachev therefore decided to opt for a peaceful settlement of the Cold War. At that stage, the argument goes, the Soviet economy had already been strained beyond repair, exactly as Reagan and his advisors had been expecting. The endgame started when Gorbachev’s reform program proved ineffective and the domestic political and economic crisis accelerated. By 1990–1, Gorbachev and the Communist Party became increasingly sidetracked and eventually gave up their power in favor of the Russian nationalist and reformist movement led by Boris Yeltsin.<sup>47</sup>

This self-congratulating narrative has been effectively rejected by Beth Fischer and others. As Fischer points out, the Reagan victory school vastly exaggerates the concern in Moscow about the US military build-up and the SDI program. Moreover, Reagan started changing his Soviet policy in favor of dialogue, cooperation, and mutual restraint in early 1984, more than a year before Gorbachev came to power. Thus, the new Soviet leader never had to face, or give in to, a confrontationist Reagan.<sup>48</sup> Alan P. Dobson adds to this that the aim of the Reagan military build-up was never—as claimed by Norman A. Bailey and others—to make the Soviet economy collapse and bring down communism. Instead, Reagan wanted to increase US military power in order to start negotiating with Moscow from a position of strength. Thus, there was no US master plan at work as the Cold War confrontation faded away in the late 1980s.<sup>49</sup>

This being said, the nuclear arms race may still have had a more profound impact on the process that brought the Cold War to its peaceful ending than is commonly acknowledged. First of all, as William C. Wohlforth and, more recently, David M. Walsh, have argued, the perception of the military balance always played a crucial role in the formation of the Cold War policies of both

<sup>47</sup> Typical examples are Peter Schweizer, *Victory: The Reagan Administration’s Secret Strategy that Hastened the Collapse of the Soviet Union* (New York: Atlantic Monthly Press, 1994); Norman A. Bailey, *The Strategic Plan that Won the Cold War: National Decision Directive 75* (MacLean, VA: The Potomac Foundation, 1998); Frances Fitzgerald, *Way Out There in the Blue: Reagan, Star Wars, and the End of the Cold War* (New York: Simon & Schuster, 2000).

<sup>48</sup> Beth A. Fischer, *The Reagan Reversal: Foreign Policy and the End of the Cold War* (Columbia, SC: University of Missouri Press, 1997); Beth A. Fischer, “The United States and the Transformation of the Cold War,” in Olav Njølstad (ed.), *The Last Decade of the Cold War: From Conflict Escalation to Conflict Transformation* (London: Frank Cass, 2004), 226–40.

<sup>49</sup> Alan P. Dobson, “The Reagan Administration, Economic Warfare, and Starting to Close Down the Cold War,” *Diplomatic History*, 29:3 (June 2005), 531–56.

superpowers.<sup>50</sup> Thus, when Gorbachev and his advisers first sat down to assess the strategic balance between East and West, Wohlforth claims they quickly came to realize that there was “not just a temporary reversal going on but a secular adverse trend in the correlation of forces, in its broadest and narrowest definitions, and across its economic and military dimensions.”<sup>51</sup> If this is true, it does suggest that the rapid build-up of US nuclear forces from the late 1970s onwards may have made a difference in Soviet thinking and decision-making after all.

Secondly, as Fischer points out, Reagan and Gorbachev were brought together in the first place by a shared desire to reduce the risk of nuclear war and help eliminate nuclear weapons.<sup>52</sup> Finally, even if Reagan moderated his assertive Soviet policies in early 1984, the US military build-up continued at full speed for another two or three years. Whether this had any impact on Soviet decision-making is still unclear; it is, however, a fact that Soviet military expenditure *did* increase again in the early and mid-1980s, after some years of reduced growth. Since this happened at the same time as the Soviet economy went into stagnation and decline, it must have contributed to the economic crisis and helped convince the new leadership of the necessity of improving Soviet–American relations.

## Arms races in the post-Cold War era: an ambiguous record

The trends in global military expenditure since the ending of the Cold War are intricate, and make up an ambiguous record as far as arms races are concerned.

Let me start with a few observations suggesting that arms races may be a diminishing concern in international politics.

First of all, arms races seem almost to have disappeared from the contemporary political and scholarly discourse. Among the endless number of books and edited volumes that were published by the turn of the century with the aim of defining the “new” international security agenda, hardly any contained any indexed references to “arms races.”<sup>53</sup>

<sup>50</sup> William C. Wohlforth, *The Elusive Balance: Power and Perceptions during the Cold War* (Ithaca, NY and London: Cornell University Press, 1993); David M. Walsh, *The Military Balance in the Cold War*. For a similar acknowledgement of how crucial perceptions of the strategic balance was for US policymakers in the formative years of the Cold War, see Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford, CA: Stanford University Press, 1992).

<sup>51</sup> Wohlforth, *The Elusive Balance*, 250–1. Wohlforth also emphasizes how Gorbachev and his advisers had come to appreciate the strengths of modern capitalism and also to understand “that interdependence rather than coercion was the glue that held the capitalist world together.”

<sup>52</sup> Fischer, “The United States and the Transformation of the Cold War,” 230–1.

<sup>53</sup> Some examples of contemporary security studies without any references to the arms race in their indexes: Richard H. Shultz, Jr., Roy Godson and George H. Quester (eds.), *Security Studies for the*

Secondly, and partly explaining the above, the post-Cold War has witnessed few genuine arms races thus far. To a considerably degree, this fact reflects the dissolution of the East–West conflict and subsequent collapse of the former Soviet Union, which removed the main political and ideological incentives for military competition in many parts of the world. Thus, in the early post-Cold War years there was a general *decline* in world military spending. The decline reflected both the dramatic fall in the annual military outlays of Russia in the early 1990s, and the international financial crisis in the latter half of the decade. The year 1998 saw the low point in post-Cold War military expenditure.

From then onwards, things started to change. By the turn of the century, many of the world's major purchasers of military equipment had embarked upon costly programs in order to modernize their armed forces. In the years 2000–9, world military expenditure per annum showed steady growth, fluctuating at between 2.3 and 2.5 per cent of world GNP. Given the parallel growth of the world economy during the first three-quarters of the decade, world military expenditure increased by almost 50 per cent in real terms, reaching US \$1,531 billion in 2009. Because of the new, ongoing financial crisis, and the subsequent temporary dip in global GNP, world military expenditure's share of global GNP jumped to 2.7 per cent as the first decade of the twenty-first century came to a close.<sup>54</sup>

Even in this decade of increased military spending worldwide, examples of interstate arms races driven by mutual fear and hostility are rare. To start with the biggest spenders, the United States alone stood for half of the real-terms increase. The very substantial increase in US military expenditure since 2001 has been caused primarily by war, including “war on terrorism,” and protection of hegemonic interests, not interstate rivalry. Other major spenders, such as China, Russia, India, and Brazil also made large increases in their military outlays in the 2000–9 period, but the increase reflected their continued economic growth, and aspirations for regional or even global influence, rather than any intense interstate rivalry typical of an arms race. Indeed, among the fifteen countries with the highest military expenditure in 2009, only Saudi Arabia spent above 8 per cent of its GNP on armaments, and only three

*21st Century* (Washington, DC: Brassey's, 1997); Clive Jones (ed.), *International Security in a Global Age: Securing the Twenty-First Century* (London: Frank Cass, 2000); Sean Key, *Global Security in the Twenty-First Century: The Quest for Power and the Search for Peace* (New York and Oxford: Rowman & Littlefield, 2006); Roland Dannreuther, *International Security: The Contemporary Agenda* (Cambridge: Polity, 2007); J. Peter Burgess (ed.), *The Routledge Handbook of New Security Studies* (London and New York: Routledge, 2010); Graeme P. Herd, *Great Powers and Strategic Stability in the 21st Century: Competing Visions of World Order* (London and New York: Routledge, 2010).

<sup>54</sup> *SIPRI Yearbook 2000* (London: Oxford University Press, 2000), 223–66 and *SIPRI Yearbook 2010* (London: Oxford University Press, 2010), 177–247.

others—the USA, Russia and South Korea—had military burdens above the global average.<sup>55</sup>

This is not to say that the arms race phenomenon has ceased to exist. Both Pakistan–India and North Korea–South Korea are examples of rivalry dyads with abundant arms race characteristics, even though there is a striking asymmetry between the parties of both dyads in terms of military and economic capabilities.

Starting with Pakistan and India, the former is spending far less on conventional arms, both in real and relative terms, but is competing ambitiously with respect to nuclear weapons. Most likely, Pakistani leaders realize that their country can never get into stride with India on conventional military strength.<sup>56</sup> Instead, they put their stake in a rapid increase in Pakistani nuclear forces—especially in the number of warheads and mobile missiles—hoping this will help offset the Indian conventional lead. According to Western experts, the planned jump from 60 to some 110 nuclear warheads is unlikely to alter the strategic balance in the region, but may serve as a “psychological equalizer” for the otherwise inferior Pakistanis.<sup>57</sup>

The interstate rivalry between the two Korean neighbor republics is characterized by even more asymmetry. Since the armistice of 1953, capitalist South Korea has thrived economically and become a dynamic and highly competitive society, even in an Asian perspective. On the other hand, communist North Korea—plagued by poverty, stagnation, and occasional starvation—has fallen increasingly backward in almost every category of progress and power apart from military forces and nuclear energy. Sometime between 2003 and 2006, North Korea crossed the nuclear threshold to become a rogue nuclear weapons state outside the international nuclear order. Until then, the economically superior South Koreans had been able to hold their own in the fierce military rivalry with their communist neighbors without having to overburden their economy—not least thanks to generous financial support from the United States and the reassuring presence of American troops. The combination of a nuclear-armed North Korea and a gradually decreasing US

<sup>55</sup> *SIPRI Yearbook 2010*, 201–3.

<sup>56</sup> Whereas India was spending some \$36.3 billion on defense in 2009, and increased its military spending from the year before by 13 per cent and from 2000 by 67 per cent in real terms, Pakistan was spending far less—“only” \$4.7 billion, which represented a \$0.16 billion decrease from the level of 2008 and the lowest figure in seven years. Compared to the military spending of 2000, the Pakistani defense expenditure of 2009 represented a 20.3 per cent growth, which is less than one-third of the Indian growth rate in the same period. Pakistan is reported to have made a rapid increase in its military spending in 2010; however, the increase was less dramatic than it might seem as the country was experiencing a two-digit high inflation. *SIPRI Yearbook 2010*, 189, 229.

<sup>57</sup> Alexander H. Rothman and Lawrence J. Korb, “Pakistan doubles its nuclear arsenal: Is it time to start worrying?” *Bulletin of Atomic Scientists*, February 11, 2011 <<http://www.thebulletin.org/web-edition/features/pakistan-doubles-its-nuclear-arsenal-it-time-to-start-worrying>> (accessed October 7, 2011).



capability to come to South Korea's defense has made the latter embark upon a very substantial modernization of its armed forces, with a number of costly investments already in the pipeline. Although South Korea was spending only 0.1 per cent more on defense in 2009 than the world average of 2.7 per cent of GNP, its military budget thereafter started to grow more rapidly, and is expected to grow by as much as 6–9 per cent a year in the decade ahead in order to fulfill the ambitions of the current \$665 billion Defense Reform 2020 plan.<sup>58</sup> How Pyongyang will respond to the projected new South Korean capabilities remains to be seen.

Although deeply worrisome in many respects, it should be noted that the arms races between India and Pakistan, and between the two Korean states, both have a very long history. The Korean peninsula is, in many ways, the last remaining outpost of the Cold War, and the interstate rivalry between the two dominant powers of South Asia was born together with the end of British colonial rule. To the extent that it makes sense to talk about the military competition within this pair of states as arms races—and I believe it does—we should keep in mind that they are not really examples of *new* arms races; that is, arms races of the post-Cold War era.

However, before signing up to the optimistic conclusion that arms races are about to become obsolete, and that the few real arms races we see today are in fact leftovers from the eras of colonialism and the Cold War, two important reservations must be put on the table.

The first is that dyads of interstate rivalry may no longer be the crucial factor to look for as far as arms races are concerned. It may well be that we have to start focusing on arms races from a perspective more adjusted to the dynamics of a globalized and increasingly interdependent world. Two examples may help illustrate the point.

The first has to do with China and what is often referred to as the Southeast Asian arms race. Countries like Indonesia, Singapore, and Malaysia have, in recent years, been increasing their annual military expenditures by double-digit percentages. Together, their import of conventional weapons almost doubled in the five-year period 2005–9, compared to the previous five-year period. There are many reasons for this very substantial build-up; for instance, it was preceded by a period of artificially low military expenditure because of the financial crisis in the late 1990s. To a considerable extent, however, the recent increases seem to reflect a cluster of interwoven security dilemmas related to the rise of China as a regional economic and military power. The

<sup>58</sup> SIPRI Yearbook 2010, 203, Table 5A.1; Han Yong-Sup, "Analyzing South Korea's Defense Reform 2020," *The Korean Journal of Defense Analysis*, 18:1 (Spring 2006), 111–34; Jung Sung-Ki, "Defense Reform 2020 to be revised for NK threat," *The Korean Times*, May 26, 2010 <[http://www.koreatimes.co.kr/www/news/nation/2010/07/205\\_66548.html](http://www.koreatimes.co.kr/www/news/nation/2010/07/205_66548.html)> (accessed October 8, 2011).

crucial point is that, whereas none of the above-mentioned states is involved in a militarized interstate rivalry with China, they are all—directly or indirectly—affected by China’s rise of power, and try to protect their strategic interests by building up their military capabilities.<sup>59</sup>

Like India and South Korea, the countries of Southeast Asia are deeply concerned about China’s increasing military presence in waters perceived to be vital to their access to key natural resources, and are about to take counter-measures. According to some sources, Asian countries, including China, are expected to buy as many as 111 submarines over the next twenty years.<sup>60</sup> How this will affect regional stability is far too early to say. No one should be surprised, however, if the ongoing military build-up adds considerably to the underlying economic and strategic tensions.

The Middle East offers an even more complex situation as far as regional arms competition is concerned. In recent years, countries like Syria, Bahrain, Jordan, and Lebanon have increased their annual military expenditures by more than 8 per cent, whereas Israel, Oman, and Saudi Arabia have steadily been spending some 7 per cent or more of their GNP on defense. The picture is further complicated by the fact that some countries, such as Israel and Egypt, have received vast amounts of US military aid or heavily subsidized weaponry. Moreover, no one really knows what amount Iran is spending on its conventional and non-conventional military programs.<sup>61</sup>

Still, it is difficult to see these developments as simply being results of interstate rivalry. Saudi Arabia is a case in point. Its rapid increase in military expenditure cannot be fully explained in terms of an interstate rivalry with any particular state, such as Israel or Iran. Rather, the build-up is reflecting the Saudi leadership’s concerns about the stability of the Persian Gulf–Middle East region in general. Moreover, it reflects the financial wealth of the Saudi government, due to rising oil prices, as well as its increasing domestic security concerns. These two factors—generous oil revenues and fears of domestic unrest—are at work also in other Middle East and African countries with high and/or steadily increasing military expenditure.

The rapid build-up of military capabilities in the Middle East is particularly worrisome because of the uncertainty about Iran’s aspirations in the nuclear field. The governments of Saudi Arabia, Oman, and Egypt (under Mubarak)

<sup>59</sup> See, for instance, Richard A. Bitzinger, “A New Arms Race? Explaining Recent Southeast Asian Military Acquisitions,” *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, 32:1 (April 2010), 50–69, and Richard Weitz, “Global Insights: China’s Military Build-Up Stokes Regional Arms Race,” *World Politics Review* (March 16, 2010). According to *SIPRI Yearbook 2010*, arms to Indonesia, Singapore, and Malaysia rose by 84, 146 and 722 per cent, respectively, between the periods 2000–4 and 2005–9.

<sup>60</sup> Amol Sharma, Jeremy Page, James Hookway and Rachel Pannett, “Asia’s New Arms Race,” *The Wall Street Journal*, Saturday Essay, February 12, 2011.

<sup>61</sup> *SIPRI Yearbook 2010*, 206, 237–8.

have warned that they must reserve the right to consider all options should Iran eventually follow North Korea's example and become a nuclear weapons state outside the Nuclear Nonproliferation Treaty (NPT) regime.

This brings us to the issue of weapons of mass destruction (WMD). Here, too, the record of the post-Cold War era is an ambiguous one so far, marked by a mix of impressive achievements and serious setbacks.

Starting with the good news, the proliferation of WMD has been so limited it has led some observers to claim that we may even be witnessing the beginning of a WMD *disarmament* race—or a *negative* WMD arms race, as some prefer calling it.<sup>62</sup> This is not to say that the NPT and the non-proliferation regime is free from pressure from various directions, or that the risk of WMD falling in the hands of rogue states, rebel groups, or terrorist networks can be ruled out.<sup>63</sup> There is certainly a lot to worry about in this respect; for instance, the internal stability of nuclear-armed Pakistan. However, such worries should not allow us ignore the substantial headway that has been made over the last twenty years in terms of stopping, and in some cases even reversing, the spread of WMD.

Let me just mention a few achievements.

First of all, as from 1995, the NPT has been extended indefinitely. Also, since the end of the Cold War, countries like Ukraine, Belarus, Kazakhstan, Argentina, and Brazil have joined the Treaty as non-nuclear weapon states, whereas China and France have joined as nuclear states. Altogether, 190 states have now ratified the NPT, thereby making it the most widely accepted arms control treaty to date. Moreover, the nuclear weapons left over from the former Soviet Union outside the territory of Russia have been removed or dismantled as part of an international effort, whereas the small and unrecognized nuclear arsenal of South Africa was discreetly done away with by the outgoing apartheid government. Other attempted efforts—by Iraq, Libya, and Syria—to develop a nuclear weapons capability, were successfully stopped, either by force or coercive diplomacy.

Only three states have never signed the NPT—Israel, India, and Pakistan—while North Korea withdrew from the treaty in 2003. Although the nuclear weapons tests of India and Pakistan in 1998 represented a serious setback in terms of nuclear proliferation—since, for the first time, both countries openly demonstrated their nuclear capability—it should be remembered that the Indian and Pakistani nuclear weapons programs had begun well back in the 1960s, and that both states were *de facto* nuclear weapons states even before

<sup>62</sup> John Mueller, *Atomic Obsession: Nuclear Alarmism from Hiroshima to Al Qaeda* (New York: Oxford University Press, 2009), 85–7.

<sup>63</sup> For very different evaluations of the threat of nuclear terrorism, see Graham T. Allison, *Nuclear Terrorism: The Ultimate Preventable Catastrophe* (New York: Times Books, 2004) and John Mueller, *Atomic Obsession*.

the end of the Cold War.<sup>64</sup> It is not evident, therefore, that the Indian and Pakistani nuclear weapons tests, and growing nuclear arsenals, should be seen as posing a radically new threat to the non-proliferation regime.

In other words, the main proliferation threats of today are represented by two extremely unattractive role models; namely, the failed autocracy of North Korea, and the repressive theocracy of Iran. North Korea is such a bizarre and isolated entity in international politics that one would dismiss the possibility that it could serve as a source of inspiration and support to other potential proliferators. However, as the examples of Libya and Syria suggest, the government in Pyongyang has indeed played such a role in the past, so may well try doing it again (Myanmar could be a possible partner). But the chances of success are probably diminishing for every failed attempt, especially since China is now believed to be fully in line with Russia and the Western powers about the necessity of stopping any undertaking of this sort.

This leaves us with Iran.

Iran may or may not be on the course of developing a nuclear weapons capability. As of today, the jury is still out.<sup>65</sup> Moreover, no one can tell whether the issue eventually will be settled by political developments in Iran itself, or by an Israeli attack on Iran's nuclear installations.

Besides the increasing international support of the NPT, another promising development is the amazing rollback of chemical weapons. By 2010, the Chemical Weapons Convention (CWC) of 1997 had been signed and ratified by 188 states. By June 2011, seven countries—Myanmar, Israel, Angola, Egypt, North Korea, Somalia, and Syria—were not parties to the CWC. At least some of these countries are assumed to have stockpiles of chemical weapons. Nevertheless, the tide seems to be definitely moving against any further proliferation of chemical weapons, and the prospects for a world free of such weapons seem increasingly good, at least in a ten to twenty year perspective.<sup>66</sup>

Could something similar happen with regard to nuclear weapons? Is it possible, or even likely, that we will see, in a not-too-distant future, not only a halt in the spread of nuclear weapons, but also a persistent reduction in existing nuclear arsenals? Could there be a nuclear disarmament race in the making?

First of all, it is more likely than not that the two strongest nuclear powers, the USA and Russia, will continue their cautious trend of the last two decades,

<sup>64</sup> S. Paul Kapur, "The Indian nuclear program: motivations, effects, and future trajectories" in Olav Njølstad (ed.), *Nuclear Proliferation and International Order: Challenges to the Non-Proliferation Treaty* (Oxford and New York: Routledge, 2011), 13–25; Bhumitra Chakma, "Pakistan's nuclear weapons programme: past and future," in Njølstad, *Nuclear Proliferation and International Order*, 26–38.

<sup>65</sup> Sverre Lodgaard, "Challenge from within: the case of Iran," in Njølstad, *Nuclear Proliferation and International Order*, 84–104.

<sup>66</sup> For more information, please follow the link to the official website of The Organisation for the Prohibition of Chemical Weapons (OPCW): <<http://www.opcw.org/>>.

thus gradually reducing the strength of their strategic forces. Even if the ambitious goal of nuclear abolition—the highly advertised Global Zero—should prove unrealistic, or even undesirable, for reasons of stability, Washington and Moscow may well agree to seek strategic parity at increasingly reduced levels. Eventually, this process may result in such deep cuts that it will be hard for China, France, and India to maintain their current position that there is no need for them to contemplate reductions of their own as long as the big two maintain their excessive forces.

Should it ever come to that, interesting things may begin to happen in terms of global nuclear arms control. We may then see one or more nuclear powers decide that the time has come to cross what William Walker has coined “the disarmament threshold.”<sup>67</sup>

To think beyond that, toward a world free of nuclear weapons, would clearly stretch our imagination about the potential of trust in international anarchy. It would also, in the words of a leading Chinese expert, call for “very fundamental transformations in the rules and norms of international games, in the approach to bilateral and multilateral relations, in the prioritization of strategic objectives and, most importantly, in our way of thinking about nuclear weapons.”<sup>68</sup>

In conclusion, it would require a fundamentally different world.

<sup>67</sup> William Walker, “The UK, responsible nuclear sovereignty and the disarmament threshold,” in Njølstad, *Nuclear Proliferation and International Order*, 191–216.

<sup>68</sup> Yao Yunzhu, “China’s policy on nuclear weapons and disarmament,” in Njølstad, *Nuclear Proliferation and International Order*, 259.

# 10

## Between Primacy and Decline: America's Role in the Post-Cold War World

*Jussi M. Hanhimäki*

In early 1987, Vice President George H. W. Bush was getting ready for the following year's presidential campaign. He asked a friend to help him identify some cutting issues that would help him to victory in November 1988. Instead, the friend suggested that Bush go alone to Camp David for a few days and try to figure out where he wanted to take the country. "Oh," said Bush in clear exasperation, "the vision thing." The friend's advice did not impress him.<sup>1</sup> However, within a few years Bush had not only won the presidency, but was calling for a "new world order." The 41st president was keen to define a "vision thing" that would give continuity to America's primacy in the post-Cold War era. In a time-honored fashion befitting US leaders, he called for policies that—even in the absence of a mortal foe in the shape of the Soviet Union—emphasized what his successor would refer to as America's indispensable role in international affairs.

In the late 1980s, George H. W. Bush was also confronted by another time-honored tradition: the prospect of America's decline. In his best-selling *Rise and Fall of Great Powers*, the historian Paul Kennedy had ruminated—rather briefly, considering the massive scale of the book—about the "relative decline" of the United States. According to Kennedy, the United States could not maintain its dominant position due to the overextension of its resources, and the mismatch between the nation's economic performance and global responsibilities. Growing deficits, huge defense budgets, extensive

<sup>1</sup> "Where is the Real George Bush," *Time*, January 26, 1987. <<http://www.time.com/time/magazine/article/0,9171,963342-2,00.html#ixzz1Nq8I8vkf>> (accessed May 26, 2011).

military commitments to allies, and other factors, had plunged the United States into a position where it was experiencing a situation seemingly similar to other former great powers in decline. As Kennedy put it, the United States faced a “common dilemma” of previous leading nations: “even as their relative economic strength is ebbing, the growing challenges to their position have compelled them to allocate more and more of their resources into the military sector which in turn squeezes out productive investment and, over time, leads to the downward spiral of slower growth, heavier taxes, deepening domestic splits over spending priorities, and a weakening capacity to bear the burdens of defense.” It was, he implied, only a question of time before the United States would lose its “number one” position.<sup>2</sup>

An omnipotent superpower with a global vision or a gradually declining empire? Is the United States on its way to becoming just another country? Or is America on the verge of, yet another, spectacular renewal? These questions have characterized—and continue to characterize—the ongoing debate about America's role in the post-Cold War world. They are at the heart of this chapter, which explores the evolution of US foreign policy in the post-Cold War era.<sup>3</sup>

I make two key observations. First, the debates about decline have been cyclical and have, logically, evolved in tandem with the fluctuations of the American economy and military engagements. They are, by nature, speculative, and have, up to the present, been proven wrong. But this is in part because these debates have had—and continue to have—strong policy relevance. When warning that decline is coming, popular pundits also offer solutions: minimize military spending, adopt “multilateral” approaches, and stress “soft power.” “Declinism” prompts corrective action.

Second, all post-Cold War administrations have embraced one central idea: American primacy. In maintaining its central position the United States used its global power to promote a liberal international order underlined by interconnectedness; a world that is increasingly linked together via growing trade links, technological innovations, and international institutions. This is, by and large, a positive development. But the price of success is ironic. Over the course of the past two decades the United States has become more “ordinary” than before. As the remit of what used to be called the “free world” has grown, as democracy and free markets have spread, the United States has become less special than before.

<sup>2</sup> Paul Kennedy, *The Rise and Fall of Great Powers* (New York: Vintage, 1987), 533.

<sup>3</sup> See also Stewart Patrick's and Michael Cox's chapters in this volume.

## Primacy or decline?

The United States emerged from the Cold War victorious, prosperous, and confident. The collapse of the Soviet Union was interpreted as proof of the superiority of liberal capitalism over totalitarian socialism. Containment had seemingly managed to suffocate the “evil empire.” It was, to some, “the end of history”: the end of the twilight struggle that had laid a shadow over much of the globe for some four and a half decades.<sup>4</sup> Meanwhile, the broad-based international support for the US-led military operation to oust Iraq from Kuwait was evidence of the fact that most of the world looked up to the United States as a protector of the principles of collective security. This was America’s “unipolar moment,” Charles Krauthammer announced in a famous *Foreign Affairs* article in 1990. The United States was “bound to lead,” Joseph Nye emphasized, in a book that coined the term “soft power.”<sup>5</sup>

Paul Kennedy’s thesis about American imperial overstretch had apparently not survived the test of (a very short) time. While the former Soviet Union disintegrated and faced economic collapse, the United States economy remained robust and entered, during the 1990s, a period of seemingly endless growth. Indeed, as the American economy surged ahead, and the United States leadership in global affairs remained virtually unchallenged, the declinists were increasingly on the defensive during the 1990s. Even Kennedy seemed to revise his opinion. In a 1993 book he still cited the many economic and social negatives plaguing America: a steadily declining rate of economic growth, diminishing per capita productivity, a weak financial system, a continuing trade deficit, widespread drug use, urban crime, and a health care system that costs more and serves fewer people than any other health system in the industrialized world. But despite these problems, Kennedy cautiously concluded that the United States might yet “muddle through.”<sup>6</sup>

Over the next two decades, however, the debate has gone back and forth between those predicting decline, and those emphasizing the stealthy nature of American primacy. The debate has not respected theoretical allegiances (being a realist was neither here nor there when it came down to predicting American decline or primacy). Echoing Kennedy, Christopher Layne countered the “unipolar illusion” in 1993, arguing that new great powers were

<sup>4</sup> Francis Fukuyama, *End of History and the Last Man* (New York: Simon & Schuster, 1992); originally the thesis was published as an article with the same name in the *National Interest* (Summer 1989).

<sup>5</sup> Charles Krauthammer, “Unipolar Moment,” *Foreign Affairs*, 70:1 (1990/1991); Joseph Nye, *Bound To Lead* (New York: Basic Books, 1991). See also Melvyn Leffler’s and Jeremi Suri’s chapters in this volume.

<sup>6</sup> Paul Kennedy, *Preparing for the Twenty-First Century* (New York: Vintage, 1993).



bound to rise and end America's unipolar moment "between 2000–2010."<sup>7</sup> In the late 1990s, William Curti Wohlforth, among others, forcefully argued in favor of unipolarity and the continuance of American primacy. According to him, a unipolar world was systemically more stable than the possible alternatives. Wohlforth saw no American decline around the horizon, predicting the continuance of American primacy for decades to come due to the significant lead that the United States enjoyed in terms of its economy, military power, and technological development.<sup>8</sup>

Thrown into the discussion about primacy and decline in the early twenty-first century was the revival of another, even older, debate. "The Empire's Back in Town," Michael Cox announced in 2003. Indeed, in the aftermath of 9/11, and the subsequent American-led military campaigns in Afghanistan and Iraq, the term "empire" returned to scholarly discussions with a vengeance. Whether the empire that was being discussed was "informal" or "inadvertent," whether it had come about "by denial" or some other manner, amounted to—not unlike the discussion about decline—another version of that Yogi Berra maxim, "déjà vu all over again." This was particularly so, since the ultimate point boiled down to a basic question: Was being an empire a recipe for collapse or a mechanism for prolonging the American era?<sup>9</sup>

At the end of the Bush presidency the debate continued. It was given some additional gravitas due to the economic and financial crisis that rocked the world in 2007–2008. Declinists were well on the rise again. Most scholars acknowledged that US resources—economic, military, and otherwise—remained substantial. Nevertheless, Washington's ability to shape outcomes in the world seemed highly questionable. While serious questions about the limits of America's "hard power" resources were one part of the story, the so-called "rise of the rest"—and more broadly globalization—was seen as bringing about increasingly fundamental changes into the international system. After all, the Bush administration's actions had prompted as much resistance as they had compliance and cooperation.

In a rather pessimistic account about the state of affairs in 2008, Robert Kagan noted that "hopes for a new peaceful international order after the end

<sup>7</sup> Christopher Layne, "The Unipolar Illusion: Why New Great Powers Will Rise," *International Security*, 17:4 (1993), 5–51.

<sup>8</sup> William C. Wohlforth, "The Stability of a Unipolar World," *International Security*, 24:1 (1999), 5–41.

<sup>9</sup> A few samples of books and essays weighing in on this debate included: Niall Ferguson, *Colossus: The Price of America's Empire* (New York: Penguin, 2004); Andrew Bacevich, *American Empire: The Realities and Consequences of US Diplomacy* (Cambridge, MA: Harvard University Press, 2004); David Harvey, *The New Imperialism* (Oxford: Oxford University Press, 2005); Michael Cox, "The Empire's Back in Town," *Millennium: Journal of International Studies*, 32:1 (2003), 1–27; Michael Cox, "Empire by denial? Debating US power," *Security Dialogue*, 35:2 (2004), 228–36; John G. Ikenberry, "Illusions of Empire: Defining the New American Order," *Foreign Affairs*, 83:2 (March/April 2004), 144–54.

of the Cold War have been dashed by sobering realities: The world remains ‘unipolar,’ but international competition among the United States, Russia, China, Europe, Japan, India, and Iran raise new threats of regional conflict . . . The grand expectation that after the Cold War the world would enter an era of international geopolitical convergence has proven wrong.”<sup>10</sup> Fareed Zakaria agreed that the United States might have lost the ability to dictate events around the globe. However, what he calls “the rise of the rest” did not mean that the United States had lost the capacity to lead in what Zakaria calls the “post-American world.” It was, after all, a world created by the global spread of American ideas (free trade, democracy etc.). In fact, a few years earlier, Michael Mandelbaum had argued that a strong case for the American “Goliath” remained.<sup>11</sup>

Debates about American power—whether it was in decline or not; what the nature of this power was, is and will become; and, perhaps most heatedly, to what end such power should be used—has been continuous since the end of the Cold War. Such debates are, by nature, often heavily politicized. Indeed, it is impossible to consider many of the contributions without taking into account the specific context in which they were written; a pervasive sense of “presentism” and a need to “make a policy contribution” does lay an opportunistic cloud over the entire exercise. Any arguments regarding the virtues or pitfalls of Clinton or Bush’s foreign policy, for example, tend to have a distinctly partisan flavor (often related to the specific author’s desire to be directly involved in policymaking). But one thing remained constant: the belief in American primacy.

## Bush, Clinton, and the indispensable nation

A strong sense of moral, economic, and military superiority was evident in the rhetoric of President George H. W. Bush. In his 1989 inaugural address, Bush struck an unapologetically confident tone:

[w]e know what works. Freedom works. We know what’s right: Freedom is right. We know how to secure a more just and prosperous life for man on earth: through free markets, free speech, free elections, and the exercise of free will unhampered by the state.<sup>12</sup>

<sup>10</sup> Robert Kagan, *The Return of History and the End of Dreams* (New York: Knopf, 2008).

<sup>11</sup> Fareed Zakaria, *The Post-American World* (New York: Norton, 2008); Michael Mandelbaum, *The Case for Goliath: How America Acts as the World’s Government in the Twenty-First Century* (New York: Public Affairs, 2006). See also Mandelbaum, *The Ideas that Conquered the World: Peace, Democracy, and Free Markets in the Twenty-First Century* (New York: Public Affairs, 2002).

<sup>12</sup> George H. W. Bush, “Inaugural Address,” January 20, 1989, John T. Woolley and Gerhard Peters, *The American Presidency Project* [online], Santa Barbara, CA <<http://www.presidency.ucsb.edu/ws/?pid=16610>> (accessed May 27, 2011).

Two years later, after his approval ratings had gone through the roof due the successes of the Gulf War, Bush would famously predict:

Now, we can see a new world coming into view. A world in which there is the very real prospect of a new world order... A world where the United Nations, freed from cold war stalemate, is poised to fulfill the historic vision of its founders. A world in which freedom and respect for human rights find a home among all nations.<sup>13</sup>

It was a bold-sounding vision that came to naught. In fact, as he started preparing for the 1992 presidential elections even Bush himself dropped the use of the term "new world order," because it seemed to offend large segments of the American population, including members of the president's own party. Pat Buchanan, who successfully challenged Bush in the New Hampshire primary, made mockery of the term by arguing that while Bush "would put American's wealth and power at the service of some vague New World Order; we will put America first."<sup>14</sup> Bush managed to defeat Buchanan, but he did not survive the challenge from Bill Clinton whose catch phrase "It's the economy, stupid" dominated the 1992 presidential elections. In subsequent years, the United Nations, in part due to the Clinton administration's policies, would, yet again, fall short of fulfilling its global mission.

But something more fundamental remained: the unshaken belief in American primacy. "America's purpose in the world is not simply to be another great power in history," the candidate Clinton declared in Milwaukee in October 1991.<sup>15</sup> By the time of his second term Clinton was no less confident. "America stands alone as the world's indispensable nation," he maintained in his second inaugural address.<sup>16</sup> The world was truly going America's way, Clinton further maintained, as "more people than ever embrace our ideals and share our interests." He promised, "to bring America 50 more years of security and prosperity."<sup>17</sup> When Clinton delivered his final State of the Union Address in January 2000, he summed it all up:

<sup>13</sup> George H. W. Bush, "Address Before a Joint Session of Congress," March 6, 1991, John T. Woolley and Gerhard Peters, *The American Presidency Project* [online], Santa Barbara, CA <<http://www.presidency.ucsb.edu/ws/?pid=19364>> (accessed May 27, 2011).

<sup>14</sup> Patrick Buchanan declares <[http://www.4president.org/speeches/buchanan1992\\_announcement.htm](http://www.4president.org/speeches/buchanan1992_announcement.htm)> (accessed May 27, 2011).

<sup>15</sup> "Address by Governor Clinton," October 1, 1991, in Philip Auersweld and John Garofano (eds.), *Clinton's Foreign Policy: A Documentary Record* (New York: Kluwer Law International, 2003), 3.

<sup>16</sup> This phrase is usually attributed to Secretary of State Madeline Albright. In fact, Albright did use it on several occasions afterwards but the "ownership" goes to Clinton (or rather his speech writers).

<sup>17</sup> William J. Clinton, "Second Inaugural Address," January 20, 1997 <<http://www.presidency.ucsb.edu/ws/index.php?pid=54183#axzz1OTjcEJCF>> (accessed May 27, 2011); "Excerpts from the State of the Union Address," February 4, 1997, in Auersweld and Garofano, *Clinton's Foreign Policy*, 53.

We are fortunate to be alive at this moment in history. Never before has our nation enjoyed, at once, so much prosperity and social progress with so little internal crisis and so few external threats . . . the state of the union is the strongest it has ever been.<sup>18</sup>

Of course there were plenty of differences between the policies of George H. W. Bush and Clinton, at home and abroad. But the degree of optimism and confidence—at least when displayed in public speeches—was not one of them.

America may have been bound to lead in the 1990s. But there was no clear answer to an important and nagging question: Lead toward what end? While in office, Clinton came under much criticism for what many judged a directionless conduct of America's external affairs. He was variously described as the president who considered "foreign policy as social work" and, despite his rhetoric, presided over the "end of idealism" in American foreign policy. Interestingly, Clinton was also charged for being a "new moralist on the road to hell" whose conduct was clouded by "fatal distraction[s]." And he would even be called—not unlike the labels heaped upon his successor—the "bully of the free world."<sup>19</sup> Repeatedly, Clinton would be attacked for his lack of purpose. Henry Kissinger called Clinton's foreign policy "a series of seemingly unrelated decisions in response to specific crises" while (former Kissinger aide) Bill Hyland charged that, because Clinton's foreign policy lacked any "overall perspective, most issues were bound to degenerate into tactical manipulations, some successful, some not." And Owen Harries of *The National Interest* wrote: "Clinton's foreign policy is not an unmitigated disaster. It is not even a mitigated disaster. It is merely quite bad in certain ways that have limited consequences."<sup>20</sup>

The negative assessments of Clinton's foreign policy have been countered. Yet, even those who worked in the Clinton administration have not been particularly overflowing with praise regarding the substance of the 42nd president's foreign policy record. To be sure, Clinton's reputation in Europe was helped immensely by the general dislike of his successor. But to count Clinton's ability "to sell American power to others" as one of his greatest

<sup>18</sup> "Excerpts from the State of the Union Address," January 27, 2000, in Auersweld and Garofano, *Clinton's Foreign Policy*, 84.

<sup>19</sup> Michael Mandelbaum, "Foreign Policy as Social Work," *Foreign Affairs*, 75:1 (January/February 1996), 16–32; Stephen Schlesinger, "The End of Idealism," *World Policy Journal* (Winter 1998–9), 31–41; Alvin Z. Rubinstein, "The New Moralists on a Road to Hell," *Orbis*, 40:2 (Spring 1996), 31–41; Richard N. Haass, "Fatal Distraction: Bill Clinton's Foreign Policy," *Foreign Policy*, 108 (Fall 1997), 112–23; Garry Wills, "Bully of the Free World," *Foreign Affairs*, 78:2 (March/April 1999), 50–9.

<sup>20</sup> Kissinger and Harries cited in John Dumbrell, *Clinton's Foreign Policy: Between the Bushes, 1992–2000* (London: Routledge, 2009), 3; William G. Hyland, *Clinton's World: Remaking American Foreign Policy* (Westport, CT: Praeger, 1999), 203. See also Henry Kissinger, *Does America Need a Foreign Policy? Toward a Diplomacy of the 21st Century* (New York: Simon & Schuster, 2001).

accomplishments is not exactly a ringing endorsement. Or to point out that “Clinton was a pluralist who believed the United States in most instances was better served exercising influence by persuasion and by acting in a community of nations” is unlikely to set Bill Clinton in a class of his own among post-Second World War American presidents.<sup>21</sup>

The Clinton years were ultimately distinguished by the fact that, while crises demanding a response appeared on a regular basis—in the former Yugoslavia, in Somalia, in Haiti, and elsewhere—they had no easily discernible pattern that would have pointed to a reasonably structured response.

The Clinton administration pursued a complex agenda under two broad rubrics: enlargement and engagement. Clinton became the globalization president. In the 1990s the United States championed globalization by pursuing free trade treaties and agreements (e.g. the North American Free Trade Agreement (NAFTA), Association of Southeast Asian Nations (ASEAN), etc.). America, after some hesitation, pursued the enlargement of NATO to the former Soviet bloc, hence confirming the continuance of transatlantic ties (as well as a degree of Russian–American tension) beyond the Cold War era. Clinton engaged China—even winning Congressional support for China’s entry into the World Trade Organization (WTO)—and, in a well-tested manner of recent American presidents, tried (and in an equally well-tested manner failed) to use his influence to solve the Israeli–Palestinian conflict. And, in the midst of it all, a certain Clinton *style* of foreign policy emerged that seemed quite well fitted to the demands of the 1990s. As one historian puts it, Clinton’s manner “was less the style of a heroic leader, more the style of a leader who recognized the complexity and uncertainty of the post-Cold War policymaking environment.”<sup>22</sup>

In other words, there was great continuity and pragmatism. Clinton, like most of his predecessors and both of his successors, recognized that American foreign policy was, by necessity, guided by a combination of values and interests, desired goals and available means. The trouble for Clinton and his foreign policy record was not that he failed to appreciate the complexity of the post-Cold War environment. Rather, it was the opposite: his administration embraced that complexity—and its domestic equivalents—so fully, that it was unable to define a clear-cut and overriding strategy.

Nevertheless, when one reviews the position of the United States at the beginning of the new millennium, it seems difficult to argue that something had gone seriously astray. Although Clinton had cut down defense spending,

<sup>21</sup> Michael Cox, “Empire, Imperialism and the Bush Doctrine,” *Review of International Studies*, 30:4 (October 2004), 604; John F. Harris, *The Survivor: Bill Clinton in the White House* (New York: Random House, 2005), 436.

<sup>22</sup> Dumbrell, *Clinton's Foreign Policy*, 171.

America remained militarily dominant. In 1999, the US was responsible for roughly one-third of global military spending; this was actually a higher percentage than in 1991 (when the US was engaged in the Gulf War). This was more than three times the amount of China; eight times that of Russia; in fact, more than the next six countries combined. As Michael O'Hanlon pointed out, the notion that Clinton had somehow left the United States militarily vulnerable was a myth.<sup>23</sup>

When Clinton left office, the longest sustained boom in American history was still intact. US economic growth had been stable throughout the Clinton years, and unemployment was just over 4 per cent (down by three percentage points since the early 1990s). In 2000, the Clinton administration announced the largest budget surplus (over \$200 billion) that almost doubled the surplus from the year before (which in turn had been double the one of 1998). This was a remarkable contrast to the Cold War era when the US ran budget deficits on a consistent basis, as it has also done in the last ten years. The alarming amount of national debt did not shrink, but at least it stopped growing. And the United States remained by far the largest single economy in the world (40 per cent larger than the second-largest economy at the time, Japan), responsible for 23.7 per cent of global domestic product (in purchasing power parity terms) in 2000. In sum, under Clinton the United States had retained its position as the world's greatest economic power, and had been, in fact, one of the great beneficiaries of the so-called "new economy."

At the dawn of the new millennium the United States remained ahead of the rest. Indeed, Stephen Walt gave "two cheers" for Clinton's foreign policy, arguing that "he did quite well under the post-Cold War circumstances." Of course, not all agreed, and Richard Haass suggested that Clinton's had been a "Squandered Presidency." Clinton, Haass maintained, did not leave a foreign policy legacy to speak of because his administration had neither achieved "something great on the ground (defeating major rivals or building major institutions, for example)" nor managed to change "the way people at home or abroad think about international relations."<sup>24</sup>

Debate about Clinton's foreign policy record and legacy will undoubtedly continue for years and decades with his reputation following the usual trajectories of revisionism and post-revisionism. In terms of foreign policy it will, though, be difficult to argue that Clinton had an overwhelming purpose, a vision thing. But it will be equally difficult—although attempts have been made—to argue that Clinton mismanaged American foreign policy. Certainly,

<sup>23</sup> Data from Table 5A in *SIPRI Yearbook 2000: Armaments, Disarmament and International Security* (Oxford: Oxford University Press, 2000). See also Michael O'Hanlon, "Clinton's Strong Defense Legacy," *Foreign Affairs*, 82:6 (November/December 2003), 126–35.

<sup>24</sup> Stephen Walt, "Two Cheers for Clinton's Foreign Policy," *Foreign Affairs*, 79:2 (March/April 2000), 63–79.

there were problems and critics. But, overall, Clinton left his successor a nation that was without a rival. He had been a successful guardian of American primacy.

### George W. Bush, American primacy, and the War on Terror

The transition from Clinton to Bush took place in an environment of near omnipotency that bred a coinciding sense inside the United States that the nation was secure from any significant threats to its security. Interest in foreign policy was low, and seemingly echoed in the persona of the new president. During a presidential debate in October 2000 Bush had struck a cautious note about foreign policy: "If we're an arrogant nation, they'll resent us; if we're a humble nation, but strong, they'll welcome us. And our nation stands alone right now in the world in terms of power, and that's why we've got to be humble, and yet project strength in a way that promotes freedom."<sup>25</sup>

Humility did not last long. The shock of the 9/11 terrorist attacks naturally demanded an aggressive response, and it seemed that the United States was capable of using its massive power to execute policies that had rapid and spectacular results. Bush became the war president, evidently relishing a role that provided plenty of "decision points."<sup>26</sup> Instead of humility, the Bush administration appeared keen on brushing aside any advice for constraint, on acting unilaterally, on alienating allies, and on actually projecting the awesome power it possessed. Even more so, it appeared to consider any possibility of restraint dangerous. The most obvious example of this was the American refusal to take seriously the invocation of Article 5 by its NATO allies, viewing such shows of solidarity "less as a boon than as a booby trap," as Robert Kagan put it.<sup>27</sup> America was not going to be tied down when its security was menaced; not even by well meaning but poorly armed friends. Pressed on by an enraged American public demanding revenge, and frightened by the sudden appearance of hard-to-identify threats, the Bush administration went to war against that most amorphous of enemies—"global terrorism."

As the Afghan and, in particular, Iraq wars unfolded, many analysts—even while they may have disagreed on the specific rationale for attacking and removing Saddam Hussein—brushed aside the possibility that the United States was engaged in a self-defeating exercise of power. American power was being redefined, many maintained, and the real questions were semantic

<sup>25</sup> Citation for presidential debate October 11, 2000 <<http://www.debates.org/index.php?page=october-11-2000-debate-transcript>> (accessed May 29, 2011).

<sup>26</sup> A reference to Bush's memoirs: George W. Bush, *Decision Points* (New York: Crown, 2010).

<sup>27</sup> Robert Kagan, *Of Paradise and Power: America and Europe in the New World Order* (New York: Knopf, 2003), 102.

ones. Was the US exercising hegemony or building an empire? How unilateral could (or should) the United States be? Answers varied and were hotly debated, with pronouncements about the negative side effects of the Bush administration's foreign policy—such as the increase in anti-Americanism around the globe—gradually increasing. And yet there was relative consensus among observers that the early twenty-first century was, and would remain, “the American era.”<sup>28</sup>

Soon, debates about the Global War on Terror (GWT) dominated airwaves and the print media. Some suggested that there was a “Bush revolution” in American foreign policy with neo-conservative “vulcans” taking advantage of the situation and pushing an aggressive democratization agenda forward. Critics were soon handed plenty of ammunition as American transgressions of international law and disrespect for basic human rights (Guantanamo, Abu Ghraib, etc.) scandalized audiences around the world. Transatlantic relations hit all time lows. Bush's defenders fired back with scenarios of terrorist plots that demanded strengthening America's national security apparatus and acting pre-emptively; the terrorists did not fight fair, neither should the Americans. The fact that no WMD were discovered in post-intervention Iraq scandalized many. But others heralded the likelihood of some form of democracy dividend that would spread throughout what was often referred to as the Greater Middle East (and was suspiciously similar to the geographic region Zbigniew Brzezinski had named “the Arc of Crisis” in the late 1970s).<sup>29</sup> The critics could easily charge that America was acting like the world's bully—a superpower on steroids.

Indeed, many were quick to equate the so-called Bush Doctrine with American unilateralism. By “abandoning post-Cold War diplomatic practices after September 11, the United States is taking a new tack,” Charles-Philippe David wrote in 2006.<sup>30</sup> Really? Here there were, in essence, two lines of argument. Some saw the unilateralism of the Bush administration with regard to Iraq as the ultimate folly, ill-suited to an interdependent post-Cold War world. America was a rogue nation attacking the world order with its aggressive diplomacy and unilateral use of force. Others saw the Iraq War as a logical consequence of the situation the United States found itself in after 9/11: “a perilous threat environment, the inherent limitations of international institutions in facing the most lethal dangers, and—as a consequence—the necessity for the United States to be prepared for self-reliance, pre-emption, and even prevention when

<sup>28</sup> For example, Charles-Philippe David and David Grondin (eds.), *Hegemony or Empire? The Redefinition of US Power under George W. Bush* (Aldershot: Ashgate, 2006); Robert J. Lieber, *The American Era: Power and Strategy for the 21st Century* (Cambridge: Cambridge University Press, 2005).

<sup>29</sup> Ivo Daalder and James Lindsay, *America Unbound: The Bush Revolution in Foreign Policy* (Washington, DC: Brookings, 2003).

<sup>30</sup> David and Grondin, *Hegemony or Empire*, 220–1.



necessary." For the benefit of the historically less conscious, John Gaddis and Mel Leffler demonstrated that American unilateral military actions had plenty of historical precedents.<sup>31</sup> In this they were undoubtedly correct: America's "multilateral moments" in the past had been rare.

When reading through the 2002 National Security Strategy, however, one may be struck by the fact that the document that defined the so-called Bush Doctrine did not represent a dramatic break with the past. The Bush administration outlined—as America's main national security tasks—the following:

Champion Aspirations for Human Dignity; Strengthen Alliances to Defeat Global Terrorism and Work to Prevent Attacks Against Us and Our Friends; Work with others to Defuse Regional Conflicts; Prevent Our Enemies from Threatening Us, Our Allies, and Our Friends with Weapons of Mass Destruction; Ignite a New Era of Global Economic Growth through Free Markets and Free Trade; Expand the Circle of Development by Opening Societies and Building the Infrastructure of Democracy; Develop Agendas for Cooperative Action with the Other Main Centers of Global Power; Transform America's National Security Institutions to Meet the Challenges and Opportunities of the Twenty-First Century.<sup>32</sup>

A revolutionary blueprint for unilateral global interventionism? Not exactly. Rather a catalogue of goals and aspirations underpinned by one overriding goal: the maintenance of American primacy.

George W. Bush's presidency ended in diametrically opposite circumstances to that of his predecessor. To be sure, if measured in military spending the United States of 2009 outstripped its closest rivals by a massive margin. With a defense budget of \$700 billion, the United States was responsible for 43 per cent of global military spending. This was six times that of China, twelve times that of Russia and, to put things in perspective, ninety-eight times that of Iran. All told, the United States had increased its spending dramatically, both in absolute and relative terms, and now allocated more money on defense than the next seventeen countries in the world. If military spending was a measure of security, the United States was very safe indeed.<sup>33</sup>

Economically, however, the situation bordered on catastrophic. Budget surpluses had become consistent deficits after 2001, hiking up America's national debt. In late 2008 unemployment was just over 6.5 per cent; perhaps not too dramatic, but set to rise steadily toward the 10 per cent mark in the

<sup>31</sup> Lieber, *The American Era*, 148. John Gaddis, *Surprise, Security and the American Experience* (Cambridge, MA: Harvard University Press, 2005); Melvyn Leffler, "9/11 and American Foreign Policy," *Diplomatic History*, 29:3 (June 2005), 395–413; Leffler, "September 11 in Retrospect," *Foreign Affairs*, 90:5 (September/October 2011), 33–44.

<sup>32</sup> "National Security Strategy," September 2002 <<http://georgewbush-whitehouse.archives.gov/nsc/nss/2002/>> (accessed May 22, 2011).

<sup>33</sup> <<http://www.globalissues.org/article/75/world-military-spending#USMilitarySpending>> (accessed June 1, 2011).

next two years. Still, the United States retained its position as the world's largest single economy, with 20.3 per cent of global domestic product (in purchasing power parity terms) in 2008. But rankings had changed: the second-largest economy was China, and India had moved to the number four position behind Japan (the EU, as a whole, still outweighed even the US). More disturbingly, US growth rates had not only stalled but also turned negative in Bush's last year in office (negative 6 per cent in the last quarter of 2008), while China and India boasted growth rates approaching double digits. If Clinton had left office amid the longest postwar economic boom, Bush gave his farewell address to an America struggling badly. To the growing number of Bush's critics, the economic and financial crisis was only further evidence of a failed presidency, a "tragedy" that had "wrecked American power" by engaging in a "unipolar fantasy."<sup>34</sup>

Ultimately, such judgments are, however, only the beginning of a lengthy cycle of reappraisals and revisions. With the publication of his unapologetic memoirs in 2010, the former president himself has made sure the "last word" will be a long time coming.<sup>35</sup> As he left office in January 2009, Bush may have left his successor an unenviable legacy: two wars and a global economic and financial crisis that, almost everyone agreed, was the worst since the 1930s. The question to his successor was simple: Could the United States continue leading the world, or was American primacy a thing of the past?<sup>36</sup>

## "Change" and Obama

If Bush left office reviled by his critics, Barack Obama moved into the White House burdened by unrealistically high expectations. America now had a new leader who would not be driven by simple-minded ideological excesses. The 44th president would reverse course, bring back thousands of Americans from a mishandled war, and dazzle the world with his winning diplomacy. He would make America respected again, not (just) because of its military

<sup>34</sup> Robert Draper, *Dead Certain: The Presidency of George W. Bush* (New York: Free Press, 2008); Jacob Weisberg, *The Bush Tragedy* (New York: Random House, 2008); Fred Kaplan, *Daydream Believers: How a Few Grand Ideas Wrecked American Power* (Chicago: Wiley, 2008); David Calleo, *Follies of Power: America's Unipolar Fantasy* (New York: Cambridge University Press, 2009).

<sup>35</sup> George W. Bush, *Decision Points*; Julian E. Zelizer (ed.), *The Presidency of George W. Bush: A First Historical Assessment* (Princeton, NJ: Princeton University Press, 2010).

<sup>36</sup> For a sample of speculation and advice regarding the "post-Bush" era see: Melvyn Leffler and Jeffrey W. Legro (eds.), *To Lead the World: After the Bush Doctrine* (New York: Oxford University Press, 2008); Timothy J. Lynch and Robert S. Singh, *After Bush: The Case for Continuity in American Foreign Policy* (New York: Cambridge University Press, 2008). See also David E. Sanger, *The Inheritance: The World Obama Confronts and the Challenges to American Power* (New York: Crown, 2009); and Bruce Jentleson, *American Foreign Policy: The Dynamics of Choice in the 21st Century* (New York: W. W. Norton, 2009).

proWess, but by using the irresistible appeal of the American dream, of which he was such a shining example. Soft power was “in”; hard power was “out.” Unilateralism was a thing of the past. Obama’s inauguration was one of the highest rated media events throughout the globe in early 2009. Almost overnight, the negative view of the United States that had become commonplace during the Bush presidency was gone. Mathias Muller Von Blumencron, the editor of the German weekly *Spiegel*, even referred to Obama as the “world’s president.”<sup>37</sup>

Alas, he was not. Since Barack Obama moved into the White House it has become clear to most observers that for all the talk about change, for all the considerable goodwill that the current president enjoys in many parts of the world (not least in Europe), his priorities are, as they must be, those of an *American* president: protecting US national security and reviving the US economy.

In fact, one of the striking things about the first years of the Obama administration was the amount of continuity from Bush to Obama. The current administration has wound down much of America’s involvement in Iraq. In essence, the administration continued the gradual withdrawal that the Bush administration had agreed upon in the fall 2008; and in August 2010, the last American combat troops left Iraq. However, while Obama was winding down the Iraq “war of choice,” he escalated US commitment to the Afghan “war of necessity” by deploying additional troops to Afghanistan, and ordering a series of deadly strikes against targets in Pakistani territory. Of course, the May 2, 2011 spectacular killing of Osama Bin Laden brought some closure to many Americans (and others) who had been touched by the attacks of September 11, 2001. But the war on terror—even if no longer officially called that—goes on, and in Afghanistan there is no end in sight. The announcement, in February 2012, that US and NATO forces would end their combat role in 2013 sounded—to the skeptical observer—somewhat opportunistic (and lacking in detail) at the start of a presidential election year.

Of course, not all of Obama’s foreign policy has been related to fighting wars; otherwise he would probably not have been awarded the Nobel Peace Prize. He has, most certainly, raised America’s standing with its European allies. He has managed to get through the Senate a new Strategic Arms Reduction Treaty (START). Obama has made an effort to repair America’s difficult relations with much of the Muslim world—a task made more complicated by the Arab Spring of 2011. And he has tried, as so many presidents before him,

<sup>37</sup> Cited in Jussi Hanhimäki, “The Obama administration and transatlantic security: problems and prospects,” in Jussi Hanhimäki, Georges-Henri Soutou, and Basil Germond (eds.), *The Routledge Handbook of Transatlantic Security* (London: Routledge, 2010), 273.

flexing his diplomatic muscle to try and bring about an Arab–Israeli settlement.<sup>38</sup>

All such efforts can, though, be seen as part of a long-term continuum of US foreign policy. For example, when it comes down to American primacy—the United States’ special providence—there are ultimately only minor differences between Obama’s rhetoric and those of his predecessors. In his inaugural address the new president pledged that his administration’s top priority would be to protect the American people while remaining “true to our values and ideals.” As Obama explained, Americans “will not apologize for our way of life, nor will we waver in its defense.” And, if anyone doubted the new president’s resolve, Obama used some Kennedy-like rhetoric to remind any terrorist network “that our spirit is stronger and cannot be broken. You cannot outlast us, and we will defeat you.”<sup>39</sup> That the Bush administration had chosen security over values was a charge repeatedly heard from the critics. Yet, there was little to suggest that either Bush or Obama—or indeed Clinton before them—ever faced such a binary choice. When Obama pledged to ensure American security and defeat terrorism he sounded suspiciously like his predecessor (if a little more eloquent). That Obama vowed to uphold American ideals hardly contradicted what Bush had repeatedly promised.

Nor did Obama suddenly abandon America’s right to act pre-emptively. Take his speech upon accepting the Nobel Peace Prize. The 44th president ruminated about the concepts of “just war” and “just peace,” as well as about the existence of “evil” in the world. He maintained: “I—like any head of state—reserve the right to act unilaterally if necessary to defend my nation.” He went on to defend the idea of humanitarian intervention, saying, “force can be justified on humanitarian grounds.” Waxing philosophical, Obama concluded that “a just peace includes not only civil and political rights—it must encompass economic security and opportunity. For true peace is not just freedom from fear, but freedom from want.”<sup>40</sup> In short, on occasion the United States would have to intervene militarily either to defend its security or end blatant and widespread attacks on civilian populations. Ideally such interventions would be blessed by the international community (i.e. the UN) but a moment might arrive when this would not be the case.

On May 27, 2010, the administration released its National Security Strategy (NSS). The document was striking in two ways. On the one hand, it was a clear

<sup>38</sup> For a highly positive account of Obama’s first year in office see Jonathan Alter, *The Promise: President Obama, Year One* (New York: Simon & Schuster, 2010).

<sup>39</sup> Barack Obama, “Inaugural Address,” January 20, 2009 <<http://www.presidency.ucsb.edu/ws/index.php?pid=44#ixzz1NxViKbXo>> (accessed May 30, 2011).

<sup>40</sup> Barack Obama, “A Just and Lasting Peace,” Nobel Lecture, December 10, 2009 <[http://nobelprize.org/nobel\\_prizes/peace/laureates/2009/obama-lecture\\_en.html](http://nobelprize.org/nobel_prizes/peace/laureates/2009/obama-lecture_en.html)> (accessed May 31, 2011).

effort to distinguish the Obama doctrine from the caricature-like Bush doctrine of unilateralism and reliance on US military power. Thus, the NSS was loaded with such phrases as “pursuing comprehensive engagement” and “promoting a just and sustainable international order.” The NSS also emphasized the need for maintaining strong international alliances, the promotion of universal values like democracy and human rights, and the crucial role of a strong economy and an innovative society at home. Perhaps the main difference was the shift of emphasis away from military to economic threats—understandable, given the context in which the document was conceived. On the other hand, the continuity from Bush was notable. For example, Obama may have stopped using the term “war on terror,” yet he still identified defeating Al Qaeda as a central mission for US national security policy. The importance of alliances was hardly an innovation; it was simply phrased in a somewhat different manner than the 2002 (and 2006) Bush NSSs. Nor had the significance of economic development been absent from the policy statements of the Bush administration.<sup>41</sup>

Rather than a radical departure, Obama's foreign policy in his first term can be regarded as a mixture of the Clinton administration's emphasis on engagement and enlargement, and the Bush doctrine's assertions about the American need to reserve the right for unilateral military action. Most notably, the central goal—the maintenance of American primacy—was an undiluted part of Obama's agenda. Much like his predecessors, the 44th president was not shy about stating that his administration operated on the premise that “just as America helped to determine the course of the 20th century, we must now...shape an international order capable of overcoming the challenges of the 21st century.”<sup>42</sup>

Such confident statements did not augur well for the future: Will the United States be able to play a major role on the world stage, shaping the course of events, guided by a broad “vision thing,” even as the expected revival of the American economy appears to be far from imminent?

## 2012 and beyond

In the spring of 2010, Niall Ferguson argued in *Foreign Affairs* that America's imperial collapse was inevitable given the combination of fiscal deficits and military overstretch. Ferguson cited projections by the Congressional Budget Office. America's public debt could skyrocket from 44 per cent of GDP before the 2008 financial crisis, to 716 per cent in 2080 (if legislative reforms hold

<sup>41</sup> White House, *National Security Strategy* (Washington, DC: The White House, May 2010). <[http://www.whitehouse.gov/sites/default/files/rss\\_viewer/national\\_security\\_strategy.pdf](http://www.whitehouse.gov/sites/default/files/rss_viewer/national_security_strategy.pdf)>.

<sup>42</sup> White House, *National Security Strategy*.

back the growth of government spending, the projection would be “only” 280 per cent). Ferguson and others, including Gideon Rachman, cite projections indicating that China is likely to overtake the United States as the world’s largest economy, perhaps as soon as 2017. India, they note, will not be far behind in pushing the United States into third place in those particular league tables. In a number of public debates, Ferguson even suggested that the collapse was imminent: “this is a problem that will go live really soon. . . . I mean within the next two years.” Rachman insists that “this time” the American decline “is for real.”<sup>43</sup>

Not all agree. “The United States faces a number of problems . . . but sudden collapse seems one of the less likely scenarios,” writes Joseph Nye. He does not dispute the fact that the United States is not, in relative terms, the unrivaled economic superpower it used to be. However, Nye likes to remind his readers that America is not experiencing an absolute economic decline and retains an unparalleled amount of global influence because of great reservoirs of so-called soft power. Meanwhile, John Ikenberry argues that the “[p]ronouncements of American decline miss the real transformation under way today. What is occurring is not American decline but a dynamic process in which other states are catching up and growing more connected.” In other words, what Fareed Zakaria calls “the rise of the rest.”<sup>44</sup>

Here, perhaps some longer-term historical perspective might well be useful. Anyone who has studied American history in the twentieth-century (whether the long one or the short one) would recall several moments in which the United States has been in a period of decline and self-doubt followed by an unexpected (or predetermined, depending on one’s view) revival. Japan never quite made it to “number 1.”<sup>45</sup> Equally, there have been moments and periods when hubris has reigned; when the United States has been in a seemingly unassailable position, only to be brought back to reality following an economic crisis or a costly foreign policy venture orchestrated either by the “Best and the Brightest” in the 1960s, or the “Vulcans” in the early 2000s. In this regard, the post-Cold War era has hardly been exceptional. While proclamations of America’s imperial status have led to flirtations with overextension, predictions of

<sup>43</sup> Niall Ferguson, “Complexity and Collapse: Empires on the Edge of Chaos,” *Foreign Affairs*, 89:2 (March/April 2010), 18–32; Gideon Rachman, *Zero-Sum Future: American Power in an Age of Anxiety* (New York: Simon & Schuster, 2011); Rachman, “Think Again: American Decline,” *Foreign Policy*, 184 (January/February 2011), 59–63. “Really soon” from “Niall Ferguson Warns of sudden collapse of American ‘empire!’” July 2010 <<http://socioecohistory.wordpress.com/2010/07/14/niall-ferguson-warns-of-sudden-collapse-of-american-%E2%80%98empire%E2%80%99/>> (accessed May 30, 2011).

<sup>44</sup> Joseph Nye, “Fiscal Crises Rarely Fell Empires,” *Foreign Affairs*, 89:4 (July/August 2010), 177–9. See also Nye, *The Future of Power* (New York: Public Affairs, 2011); Zakaria, *Post-American World*.

<sup>45</sup> This well known prediction was publicized at the height of the Great Malaise in the late Carter presidency. Ezra Vogel, *Japan as Number One: Lessons for America* (Cambridge, MA: Harvard University Press, 1979).

gradual and relative decline have prompted the United States to scale back some of its commitments. The evident reluctance of the Obama administration to use military power in Libya in 2011—or to accept a clear leadership role in that venture—fit into a pattern. Such issues as America's burgeoning long-term debt are serious and problematic. But it is not necessarily insoluble for a country that, a decade ago, was concerned over a government surplus.

In the end, there are two major challenges that will determine America's place in the world in the first half of the twenty-first century. As such, the rise of China (or even Brazil, Russia, India, China, and South Africa—the BRICS), I would argue, is not one of them. Nor is the battle to defeat al Qaeda or the success or failure in Afghanistan likely to be central to the United States' future as a major player in the international arena. What will matter more, I would maintain, is whether the United States can continue wielding influence and leadership with fewer resources. For there is no doubt that the current economic and financial situation demands belt-tightening. Can the United States become, in Michael Mandelbaum's catchy phrase, "the frugal superpower"? Given changing circumstances there is no point in expecting that the United States will ever re-emerge as the "colossus" of the late twentieth century. It can still lead, but it should not even attempt to dominate; American primacy can only be maintained if other nations see it as a positive influence in international affairs. This seems to be a lesson that the current US administration has not failed to grasp.<sup>46</sup>

The second and related challenge comes from within. Obama and those who come after him may find it increasingly difficult to explain America's ongoing global role to domestic audiences disillusioned by an economic downturn that is too easily blamed on unfair competition from countries like China. Whether one calls it parochialism or patriotism, the fact remains that the American public, even in this global age, remains a relatively insulated group. The temptation to "protect" America from the evils of the outside world—be they economic upheavals or security threats—tends to promote a type of Fortress America mentality which has a continual influence on US politics (some representatives of the Tea Party being a recent incarnation). However, turning inwards would only guarantee further decline. After all, openness of all kinds—migration, flow of goods and ideas, etc.—has been the essential backbone of America's remarkable success. It has been the ultimate "vision thing" that has survived plenty of crises and drawn others to accept, even invite, American leadership. It does not always require a specific doctrine to uphold it. But failing to promote openness is the surest way of turning the specter of decline into hard reality.

<sup>46</sup> Michael Mandelbaum, *The Frugal Superpower: America's Global Leadership in a Cash-Strapped Era* (New York: Public Affairs, 2010).

## Russia and the West: Twenty Difficult Years

Vladislav Zubok

“Men make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past.”

(Karl Marx, *The 18th Brumaire of Louis Bonaparte*, 1852)

Twenty years have passed since the implosion of the Soviet Union, and the historians should cautiously step in to map and explore this period. For anyone who leaps mentally from 1991 to 2011, several things are particularly unexpected and striking. First, the West, after enjoying a spectacular and unexpected “victory” in the Cold War, began to lose its relative positions of power and influence in the world. Second, the period of enlargement of the “pre-fabricated” Western institutions eastward seems to have ended.<sup>1</sup> One part of the post-Soviet area became integrated into the West, and another, including Russia, did not. Russia, against all expectations, has regained its regional strength and financial solvency, and learned to benefit from the system of free trade the West had created. Russia, however, achieved this by marching not on the road to liberal democratization, but in an opposite direction: away from liberal-democratic institutions and values. A curious “hybrid” system emerged, presided over by Vladimir Putin, with a vast and corrupt bureaucracy, state capitalism, and the imitation of democratic institutions.

But why did this system emerge? Many critics of the Putin regime explain its emergence by “path dependency”—Russia’s development determined by its authoritarian past. As this chapter argues, traumatic changes after 1991 were

<sup>1</sup> See: Geir Lundestad, *“Empire” by Integration: The United States and European Integration, 1945–1997* (New York: Oxford University Press, 1998); Mary Elise Sarotte, *1989: The Struggle for the Post-Cold War Europe* (Princeton, NJ: Princeton University Press, 2009).



equally important. Without them, one cannot understand the phenomenon of Putin's Russia, Russian–Western tensions, and the continuing division of Europe.

### Soviet collapse and anti-liberal backlash

In 1989–91, the ideas of reformist communism contributed to the collapse of the Soviet Union and disintegration of the state.<sup>2</sup> Instead, Gorbachev unwittingly presided over the mobilization of nationalist projects that killed the union state, and drove him out of power.<sup>3</sup> In Russia, Boris Yeltsin emerged as a primary winner, seeking to couch the “independence” of Russia in anti-communist and liberal terms. Western liberal ideas of the free market, open society, and “nation state” gained surprising support in 1991 among educated professional groups of Soviet society. Yeltsin and his supporters regarded the United States in particular as a teacher and partner.<sup>4</sup> A group of technocratic young economists led by Yegor Gaidar, with Yeltsin's support, rushed Russia through a “shock therapy” based on neo-liberal recipes. The goals were to privatize the state economy, create a “free market,” and prevent a communist comeback. Those reforms were as improvised as the policies of Lenin after 1917—with similar far-reaching consequences. Market reformers treated Russia's population as a patient under surgery. They did not even explain to the patient the details of the surgery, deeming it to be too technical. Most prices (except for bread, milk, heating oil, etc.) were “freed.”

Later, Yeltsin's and Gaidar's supporters asserted that the reforms had “saved” Russia from the worst scenarios: famine and civil war. From the viewpoint of the majority, however, the liberal reforms wiped out people's savings and plunged Russia into seven years of severe economic depression, disastrous deindustrialization and demodernization, destruction of most institutions of social care and welfare, social anarchy and crime. The groups that benefited quickly from the liberal market reforms were, above all, “violent entrepreneurs,” i.e. bandits, gangs, and violent crooks.<sup>5</sup> While all (half-hearted) attempts to create a large-scale middle class soon came to naught, the Yeltsin group struck an alliance with the “oligarchs”—a group

<sup>2</sup> See Robert English, *Russia and the Idea of the West: Gorbachev, Intellectuals and the End of the Cold War* (New York: Columbia University Press, 2000).

<sup>3</sup> Mark Beissinger, *Nationalist Mobilization and Collapse of the Soviet State* (New York: Cambridge University Press, 2002); Vladislav Zubok, *A Failed Empire: The Soviet Union in the Cold War from Stalin to Gorbachev* (Chapel Hill: The University of North Carolina Press, 2007).

<sup>4</sup> Eric Shiraev and Vladislav Zubok, *Anti-Americanism in Russia: From Stalin to Putin* (New York: Palgrave-Macmillan, 2000).

<sup>5</sup> On “violent entrepreneurs,” see Vadim Volkov, *The Use of Force in the Making of Russian Capitalism* (Cornell, NY: Cornell University Press, 2002).

of “bankers” who accumulated enormous wealth in a robber-baron fashion and lent their financial support to the Kremlin in exchange for state economic assets, including oil, nickel, aluminum, etc. In Russia, communist egalitarianism-in-misery was rapidly replaced by the yawning gap between the enormous wealth of a few and abiding misery of the majority. The spike in mortality rate and plunge in birth rate reflected the social collapse.

Historians would argue forever whether there were missed opportunities in 1991–2. Rodric Braithwaite, British ambassador in Moscow, wisely commented: “Gaidar chose to go for the most rapid economic reform he could get through the political system. A slower tempo might well, as he argued, merely have protracted the distress. A faster tempo was almost certainly political impossible.”<sup>6</sup> But the shock of transition destroyed the mass political base for the liberal reforms in Russia—in fact, the very social groups, the bulk of the Soviet professional middle classes that supported Gorbachev and Yeltsin. For the vast majority of Russians the principles of “liberalism” and “democracy” came to be associated with the technocratic plots, misery, and extreme uncertainty. The values that allowed people to adapt in Soviet times, to build families, make friends, and trust others all lay in ruin, in the Hobbesian world of “wild East capitalism.” The collapse of all ideological beliefs fatally undermined the very possibility for regularized mass politics.<sup>7</sup> And it was arguably not even the worst outcome, compared to Europe in the 1920s and 1930s, where similar trauma had undermined liberalism and produced fascist, semi-fascist, and Nazi regimes.<sup>8</sup>

In Eastern Europe, liberal market reformers could at least appeal to a national consensus to escape from Moscow’s influence, and join Western community, economic, and security institutions. Yeltsin and his market liberals had no such advantage: they were attacked from all flanks for “selling Russia to the West.” In order to continue with marketization and pro-Western orientation, the Kremlin had to increasingly resort to political manipulations and authoritarian means. In October 1993, Yeltsin used force against “red-brown” radicals at the Congress of People’s Deputies and imposed on the country a new constitution that gave the president exorbitant power. The role of security and paramilitary structures began to increase, especially when the war in Chechnya began in December 1994. The biggest case of political manipulation was the presidential elections of 1996. Yeltsin decided against ceding power to the communist opposition under any circumstances. A few

<sup>6</sup> Rodric Braithwaite, *Across the Moscow River: The World Turned Upside Down* (New Haven: Yale University Press, 2002), 327.

<sup>7</sup> Stephen E. Hanson, *Post-Imperial Democracies: Ideology and Party Formation in Third Republic France, Weimar Germany, and Post-Soviet Russia* (Cambridge, UK: Cambridge University Press, 2010), 182.

<sup>8</sup> Mark Mazower, *The Dark Continent: Europe’s Twentieth Century* (New York: Vintage, 2000).

astute Western observers began to acknowledge what was happening. One expert wrote: “Russia’s latest tragedy may be that the man who has done the most to contribute to democratic consolidation in Russia may be unwittingly creating an institutional order that undermines what has already been achieved.”<sup>9</sup>

Yet again, a question about possible alternatives cannot be easily answered. Even in Eastern Europe, as the recent political developments in Hungary reveal, sudden reversals and setbacks of democratic transition are possible. In 1996, the only true alternative to Yeltsin would have been Russian communists in coalition with Russian nationalists. The dangers of the “red-brown revenge” were grossly (and sometimes deliberately) exaggerated by Russian liberals and those who feared losing their newly gained property and wealth. Sociologist Dmitry Furman prophetically concluded in January 1999: the Russian people, exhausted by the post-1991 great depression, became a passive, cynical society in search of stability, disillusioned in any kind of mass politics. For Furman, the most likely political option for post-Soviet Russia was an authoritarian regime of a personalized nature, supported by the corrupt oligarchy—similar to many regimes in Latin America and the Arab Middle East.<sup>10</sup>

### Russia and the West part ways

The circumstances of Soviet collapse left Russia in a highly ambiguous position in the international system. The Russian Federation inherited the Soviet nuclear arsenal and became a legal successor to the Soviet Union—with the Soviet seat on the UN Security Council and Soviet assets abroad, including embassies and consulates. Retrospectively, Yeltsin seemed to regret that he did not start “from scratch” or declare Russia to be a successor of the pre-Soviet Russia.<sup>11</sup> The West, especially the Bush administration, encouraged “the Soviet succession” by insisting that Moscow should be responsible for the Soviet debts and nukes. The new Russia, however, was in many ways a new state. Most territories populated by non-Russians became independent states. One expert even wrote that “Russia became, for the first time in its history, a nation rather than an empire.”<sup>12</sup> And it was a pauper: the transition from state

<sup>9</sup> Michael McFaul, *Russia’s Unfinished Revolution: Political Change from Gorbachev to Putin* (Ithaca, NY: Cornell University Press, 2001), 225–6.

<sup>10</sup> Dmitry Furman, “The threat of Russian fascism is a myth, rather than real,” *Obschaia Gazeta*, January 15, 1999.

<sup>11</sup> See Boris Yeltsin, *Isповed na zadannuiu temu* at: <<http://www.yeltsin.ru/yeltsin/books/detail.php?ID=1119>>.

<sup>12</sup> James H. Billington, *Russia in Search of Itself* (Washington, DC: Woodrow Wilson Center Press, 2004), 47.

economy to market plunged Russia into Third World poverty. The United States even had to pick up the tab for supervising and dismantling the Soviet nuclear-strategic arsenal.<sup>13</sup>

The status–power disequilibrium created unforeseen problems. Yeltsin and the Russian elites felt entitled both to the special status of a world power (Russia was not another Belgium!) and to massive Western assistance—a contradictory set of demands that the West could not satisfy. Bill Clinton and Helmut Kohl appeared to be treating Russia as a special partner and brought Russia into a number of Western international institutions.<sup>14</sup> Yet the Americans and Western Europeans never showed the generosity that the Russians expected. Instead of another “Marshall Plan,” the Kremlin received \$1 billion credit from the IMF, and a \$0.6 billion loan from the World Bank—on strict monetarist conditions that applied to poor developing countries. Many criticized even that assistance—citing Russian corruption and the massive flight of capital from Russia.<sup>15</sup> And in 1994–6, Clinton approved the inclusion of Eastern European states into NATO.<sup>16</sup> This NATO enlargement was a huge blow to the pro-Western orientation of Yeltsin and the economic liberals. Western leaders tried to help Yeltsin to save his face: in 1997 the Russia–NATO Founding Act was signed. Still, the damage was done: Russia was treated neither as a preferred liberal-democratic partner, nor as a great power.

What if the West had not expanded NATO? Would it have prevented Russia’s alienation from the West? Counterfactuals, of course, are impossible to prove. It is, however, possible to prove that the NATO expansion was colored by the continuation of Cold War fears in the West. Segments of Western public opinion continued to treat Russia as a potential “Soviet Union 2.” Russia had often performed the role of “negative other” for Western collective identity, and many used “Soviet” and “Russian” as synonyms. Even Tsarist Russia, a member of the Concert of Europe, was often treated as “beyond the pale.” And in the United States, as one historian concluded, Russia continued “to be an ‘imaginary twin’ or ‘dark double’ for the United States . . . as a foil for American national identity that had emerged more than a century ago,” with constant juxtaposition of the free and virtuous America to the slavish, autocratic, and xenophobic land of the Tsars and the

<sup>13</sup> <<http://lugar.senate.gov/nunnlugar/>>.

<sup>14</sup> Strobe Talbott, *The Russia Hand: A Memoir of Presidential Diplomacy* (New York: Random House, 2003). The appearance of this memoir caused a minor scandal in Russia: the Yeltsin family was scandalized by the grotesque description of Yeltsin’s antiques in the book; a number of Russian professional diplomats found Clinton’s relationship with the Russian president to be manipulative.

<sup>15</sup> Peter Reddaway and Dmitri Glinski, *The Tragedy of Russia’s Reforms: Market Bolshevism Against Democracy* (Washington, DC: United States Institute of Peace, 2001), 231–51, 293, 386.

<sup>16</sup> On these agreements and US ambiguity about them, see Sarotte, 1989.

commissars.<sup>17</sup> In the 1990s, corruption and crime in Russia provided ample reasons for Western politicians, media, think tanks, and even Hollywood to put Russia yet again outside the boundaries of Europe and the “civilized world.”<sup>18</sup> This trend found support in Eastern Europe, where Russophobia had been the product of Soviet occupation. When the war in Chechnya started, the Russophobes in the West and Eastern Europe felt their fears of Russia as “genetically” expansionist and violent were vindicated.

Yeltsin and his liberal supporters treated the anti-Russian bias in the West as a residue of the Cold War and sought to dispel it by ingratiating themselves with the groups that propagated this bias. At the same time, Yeltsin’s entourage could not completely ignore the “flight” of all post-communist states away from Russia and their attempts to gain political capital in the West at Russia’s expense. Even market liberals began to say that Russia had to preserve its greater economic space and take care of the Russians in the “near abroad,” meaning the post-Soviet area. The fateful security dilemma between Russia and its neighbors (especially the Baltics, Ukraine, and Georgia) was gaining momentum. The Kremlin increasingly felt it should do something to prevent further disintegration of the post-Soviet space, and even of Russia itself. And the nationalist Balts, Ukrainians, and Georgians looked toward the United States as a protector against Russia’s ambitions.

Rodric Braithwaite, British ambassador in Moscow, noticed “the new Russophobia in the West” that did not stem from a real threat, but rather

was much more like the settled paranoia of the nineteenth century, the paranoia of The Times of 1829 . . . The new Russophobia was expressed not by governments, but in the statements of out-of-office politicians, the publications of academic experts, the sensational writings of journalists, and the products of the entertainment industry. It was fuelled by those who argued that the Russian Orthodox civilization was doomed to remain apart from the civilization for the West.<sup>19</sup>

Liberal Russians increasingly began to see the anti-Russian “lobby” in the United States, as well as in other Western countries, as a problem, while denying Russia’s historic responsibility.<sup>20</sup>

George F. Kennan, in 1951, advised the West to be patient toward the post-communist Russia.<sup>21</sup> This advice, however, was difficult to implement in democratic countries, where the media constantly bombarded the public

<sup>17</sup> Iver B. Neumann, *Uses of the Other: “The East” in European Identity Formation* (Minneapolis: University of Minnesota Press, 1999).

<sup>18</sup> Yegor Gaidar, *Gibel Imperii: Uroki dlia sovremennoi Rossii* (Moscow: ROSSPEN, 2006); Stephen Kotkin, *Armageddon Averted: The Soviet Collapse 1970–2000* (New York: Oxford University Press, 2001), 118–24.

<sup>19</sup> Braithwaite, *Across the Moscow River*, 338–9.

<sup>20</sup> See Andrei P. Tsygankov, *Russophobia: Anti-Russian Lobby and American Foreign Policy* (New York: Palgrave, 2009).

<sup>21</sup> George F. Kennan, “America and the Russian future,” *Foreign Affairs* (April 1951).

with negative news from Russia. In 1996, the Republicans blamed the Clinton administration for “losing Russia.” Russian “cleptocracy” was presented as a national security threat. Few commentators acknowledged that the abrupt market transition was bound to doom Russia to anarchy and lawlessness—and from there toward oligarchy and authoritarianism.<sup>22</sup> Increasingly, Western experts began to declare that Russia was not “fit” for democracy, and inherently expansionist. The best strategy for the West, argued Henry Kissinger and Zbigniew Brzezinski, was to deny Russia any future ability to restore its control over the post-Soviet space, especially Ukraine.<sup>23</sup>

Simultaneously, alienation from the West and anti-Americanism began to grow in Russia. Resentment spread against market liberalism associated with the United States, and the old images of generous and opulent “America” became replaced by the negative images. Nationalist groups in Russia claimed that the West was interested in Russia’s break-up, permanent misery, and weakness. Reactionary, fundamentalist, and nationalist groups in the Russian Orthodox Church joined the anti-Western chorus.<sup>24</sup> At some point the Russian–Western alienation developed a mutually reinforcing dynamic. Some liberals and pro-Western intellectuals in Moscow and St. Petersburg abhorred this trend, fearing a possible rise of Russian “fascism.” These exaggerated fears contributed to the vicious circle of alienation—validating worst-case scenarios in the minds of Eastern Europeans and Western experts.

The NATO 1991 military attack (“humanitarian intervention”) in Yugoslavia, ignoring the Russian veto at the UN, and the talk in Washington about suspending the principles of national sovereignty in the name of liberal internationalism drove the last nails into the coffin of Russia’s pro-Western orientation. Western politicians ignored Russian objections, referring to Gorbachev’s behavior during the German reunification talks. Russian resentment, the argument went, could be successfully managed.<sup>25</sup> Yet the rift between Russia and the West was to last. Some Eastern European states joined NATO and lobbied for a containment of Russia.<sup>26</sup> And in Russia, the NATO

<sup>22</sup> Even the best Russian liberal sociologists tended to overestimate “primordial factors.” See, for example, Lev Gudkov, *Negativnaia Identichnost’: Stat’i 1997–2002*: (Moscow: Novoe Literaturnoe Obozrenie, 2004). Among the exceptions to the chorus are: Reddaway and Glinesky, *Tragedy of Russia’s Reforms*; Stephen F. Cohen, *Failed Crusade: America and the Tragedy of Post-Communist Russia* (New York: Norton, 2001).

<sup>23</sup> Henry Kissinger, *Diplomacy* (New York: Simon & Schuster, 1994); Zbigniew Brzezinski, “The Premature Partnership,” *Foreign Affairs*, 73:2 (March/April 1994), 67–83.

<sup>24</sup> Serge Schmemmann, “What Clinton Won’t Find in Russia: Misty-Eyed Nostalgia for Jeans and Coca-Cola,” *New York Times*, January 10, 1994; Shiraev and Zubok, *Anti-Americanism in Russia*; Vera Tolz, *Russia: Inventing the Nation* (London and New York: Bloomsbury, 2001).

<sup>25</sup> James Goldgeier, “NATO Expansion: The Anatomy of a Decision,” *The Washington Quarterly* (Winter 1998).

<sup>26</sup> See, for instance: Marcin Zaborowski, “‘New Europe’ between the United States and ‘Old Europe,’” in Geir Lundestad (ed.), *Just Another Major Crisis? The US and Europe Since 2000* (London: Oxford University Press, 2008), 123–4.

enlargement continued to delegitimize pro-Western liberals and favor “hard-liners” in domestic politics. Centrist politicians, like Evgeny Primakov, Yuri Luzhkov, and security officials around Yeltsin, urged to defend Russian national interests in defiance of the West. Even sport events, such as a Russian–American dispute over gold medals for figure skating at the Winter Olympics in 2000, showed the depth of Russians’ new mistrust of the United States.<sup>27</sup>

This was the situation when Vladimir Putin came to power in Russia in 2000.

### Putin’s Russia

Yeltsin was still enormously respected in the West as an anti-communist revolutionary.<sup>28</sup> Putin’s KGB past, by contrast, defined his negative publicity in the West from the very start. And Putin’s rhetoric and policies helped to mark the mistaken contrast between the “democratic” Yeltsin years and the “authoritarian retreat” of the 2000s. Putin’s war in Chechnya (as brutal as Yeltsin’s war in Chechnya), and the travesty of the 2004 and 2007 elections (similar to Yeltsin’s re-election in 1996) pointed to continuity. But the arrest of Mikhail Khodorkovsky and the destruction of his oil corporation, Yukos; clumsy pressures on Ukraine, Georgia, and the Baltic states; and the series of assassinations of journalists and ex-KGB figures became the hallmarks of Putin’s rule.<sup>29</sup> The Kremlin’s attempt to control the pipelines bringing gas and oil from Asia to Europe—and to build “North Stream” and “South Stream” to bypass Poland and Ukraine—exacerbated old fears of renewed Russian predominance in the post-Soviet space and even in Eastern Europe. As a result, Putin’s Russia lost the last benefit of Western doubt and came to be regarded in Poland, Lithuania, Estonia, and some other Eastern European countries as the “enemy regime.”

Inside Russia, Putin initially appeared to be a successful reformer and consolidator. He gained huge popular support, promising to check corruption, end the separatism of Chechnya, defeat organized crime, and relaunch Russia’s modernization. Luck was on his side: the rise of oil and gas prices gave the Kremlin unexpected and enormous financial resources. Putin “nationalized” these resources by subduing the tycoons and creating giant state monopolies. As a result, he was able to achieve financial stability and transformed Russia from a debtor nation into a creditor. The Russian state began to pay pensions on time and increased salaries for the first time in ten

<sup>27</sup> See Shiraev and Zubok, *Anti-Americanism in Russia*, chapter 6.

<sup>28</sup> See Timothy J. Colton, *Yeltsin: A Life* (New York: Perseus Books, 2008), especially 451–2.

<sup>29</sup> Dieter Dettke, “Europe and Russia: from neighborhood without a shared vision to a modernization partnership,” *European Security*, 20:1 (March 2011), 138.

years. Once stabilized, however, the system created under Yeltsin produced an unexpected hybrid regime. Putin kept Yeltsin's constitution and its formal institutions intact, including the rotation in the president's seat. But political levers and enormous wealth became concentrated in the hands of the Kremlin's ruler. Putin's course was a mixture of mercantilism and economic neoliberalism, with the goal of winning a better position for Russian oil and other state monopoly businesses in the global market. The largest net winner was not Russian business, however, but the sprawling state bureaucracies. Many observers comment that this bureaucracy pursues not the *raison d'état* but rather control over businesses in the form of their "protection" (*krysha*), the non-stop distribution of the national budget (*raspil*), and extortion of business and private profits (*otkat*). State officials, legislators, judges, media chiefs, heads of corporations and banks, even some academicians, began to resemble the premodern Russian service nobility: their status and property were at the Kremlin's discretion, but they kept the privilege to extract profits from the country's resources and population.

Property and wealth conditional on political connections is a common phenomenon in world history. It is also prominent in post-Maoist China. But in China the state fights corruption, and the Chinese state-controlled economy demonstrates huge momentum for development. Putin's Russia is clearly the opposite case. Russia's economic progress, aside from the energy sector, is very modest; no substitutes emerged for the degrading Soviet-era infrastructure, technological-scientific potential, and education. Also, modern norms of social transactions and civic society could hardly take root in Putin's Russia. Instead, criminalized mafia-like rules and customs, chaotic in the 1990s, became regularized. The "violent entrepreneurs" of the early 1990s became integrated or supplanted by the corrupt state structures. Harvard sociologist, Robert Putnam, studied similar mergers of formal and informal institutions in Southern Italy: he concluded that the resulting mafia-like structures defeat any modernization efforts. By the end of the 2000s, Russian bureaucracy began to resemble such structures.<sup>30</sup>

The jury is out on this fateful comparison. Some characterize today's Russian system of power and wealth as "patrimonialism" with "neo-feudal" hierarchies and clienteles. Others speak of "neo-patrimonialism," admitting a potential for future change. The majority favors the logic of path dependence, linking today's Russia to the centuries of backwardness and authoritarianism. A leading Russian sociologist defined "Putinism" as "genealogically" linked with the "totalitarian structures" of the Soviet era. From his viewpoint, the Putin state and society represent the last stage of the totalitarian

<sup>30</sup> On Putin and his policies, see in particular the works by Richard Sakwa and Lilya Shevtsova.



decomposition in the environment of market economy, informational openness, and globalization.<sup>31</sup> Even a brief look at the 1990s, however, returns us to the main thesis of this chapter: the immediate past was as important as (if not more important than) the distant past in influencing Russia's journey to the Putinist situation.

The stabilization of Putin's regime can also be attributed to the workings of the global market system. Initially, Russia found itself on the periphery of this system, together with Paraguay, Upper Volta, and Sri Lanka. Russia, however, was not "Upper Volta with missiles," as many in the West dismissively called it during the 1990s. It was a country with an industrial infrastructure, developed social programs, masses of highly educated and skilled people, and enormous energy resources. While Russia could not emulate China, it eventually found for itself a lucrative place as energy supplier, next to the Persian Gulf countries. This also "oiled" an authoritarian distributive system, with political and social institutions that matched it. The "Dutch disease" of windfall oil profits created problems even for stable democracies. For Russia, with its modest liberal potential, it was a real curse: it undermined stimulation for social and scientific-technical modernization; the remaining values of meritocracy and hard work became replaced by the scramble for access to quick huge profits from "the pipe."

Another new factor has not been sufficiently acknowledged: the character of the post-Soviet elites. Russia's elites emerged as antidemocratic, cynically selfish, and absolutely opposed to any notion of public interests and social development. Compared to these elites, even the Soviet technocratic elites, not to mention the pre-Soviet intelligentsia, appear as imbued with a sense of public good.<sup>32</sup> Of course, the realities of the late Soviet period encouraged cynical individualism, lack of social responsibility, and a "beggar-thy-neighbor" mentality.<sup>33</sup> Still, the Soviet society also produced minorities committed to reforms ("shestidesyatniki"), whose transformational energy nourished Gorbachev's perestroika and Yeltsin's initial thrust. This vanguard had been exhausted and dissipated during the 1990s.<sup>34</sup> The social elites of the younger educated cohort that came of age in the 1970s–80s took the full brunt of the Soviet collapse. Many of the "best and brightest" of this age group emigrated; those who stayed suffered professional, social, and moral collapse. Many of them died prematurely, often not even reaching old age. Only a small proportion of this cohort regained the middle-class status of their parents and predecessors.

<sup>31</sup> Lev Gudkov, *Abortive Modernization* (Moscow: ROSSPEN, 2011).

<sup>32</sup> Gudkov, *Abortive Modernization*, 13–14, 410; also see Vladislav Zubok, *Zhivago's Children: The Last Russian Intelligentsia* (Cambridge, MA: The Belknap Press, 2009).

<sup>33</sup> See Oleg Kharkhordin, *The Collective and the Individual in Russia: A Study of Practices* (Berkeley, CA: University of California Press, 1999).

<sup>34</sup> See my *Zhivago's Children*.

During the mid-2000s, a “generational skip” occurred: the youngest cohorts began to replace the destroyed Soviet intelligentsia and the depleted Soviet-time middle groups. Young people aged 25 to 30 became the career reserve, bypassing the older cohorts. The oil boom and bureaucratic expansion allowed many of them, particularly in big cities, to score economic and social gains that surpassed the achievements of their parents. The Putin government seemed to be interested in promoting the young cadres that could become conformist participants in the system—just like the young protagonist in John Grisham’s novel *The Firm*. This may raise eyebrows: in the early 1990s, many Russian liberals believed that the post-Soviet youth would be an engine for democratization, not human material for a stagnant authoritarian system. History mocked these expectations. The young educated Russians became the ultimate individualists, but not in the liberal-democratic sense. They honed their survival skills in the Hobbesian world and rejected the idealistic notions of “common good” of the Russian intelligentsia. Instead of becoming the free Russian citizens of liberal dreams, they wanted to become “new Russians,” fixated on personal enrichment and the “good life.” In contrast to the old Soviet system, the Putinist system provided virtually unlimited *individual* opportunity and freedom, in exchange for non-involvement in *public* politics. The young accepted this “exchange.” They no longer wanted to westernize Russia; they wanted to make money in Russia and move to the West. The years of Putin’s consolidation and oil boom provided many of them with a chance to realize their dreams.

In contrast to political stagnation, the Russian leadership, state bureaucracies, and the entrepreneurial young Russians moved quickly in adapting to the global market economy. The winners in the “survival of the fittest” games, they became ruthless “users” of the international economic system created by Western liberal policies during the previous century.

## Russian nationalism and the Kremlin’s games

In the West, Putin’s consolidation augmented expectations of assertive Russian nationalism and of Russia as a “revisionist power.” The most used historical analogy was Weimar Germany. Many Western scholars quoted Liah Greenfeld, who wrote about “ressentiment nationalism” as a reactionary phenomenon in pre-Soviet Russia and Eastern Europe.<sup>35</sup> The consensus was

<sup>35</sup> Liah Greenfeld, “The Formation of Russian National Identity: The Role of Status Insecurity and *Ressentiment*,” *Comparative Studies in Society and History*, 32:3 (1990), 549–91; the broader argument is in Greenfeld, *Nationalism: Five Roads to Modernity* (Cambridge: Harvard University Press, 1992).

that any Russian identity could only be authoritarian, anti-Semitic, and anti-Western. Meanwhile, Russian liberalism and nationalism had not always been at odds. From the Decembrists to 1917, Russian Europeanized and liberal elites were very patriotic. They rejected aggressive ethno-nationalism, as well as the religious-conservative nationalism, and sought to articulate an idea of “Russian patriotism” as a multi-ethnic, civil, and liberal notion. Under the Bolshevik regime, however, this national-liberal identity became weakened, although not extinct.<sup>36</sup> Stalinism used most reactionary forms of Russian identity as material for empire-building. During the last decades of the Soviet Union, the Soviet intelligentsia split into two camps: Stalinist “Russian patriots,” and their liberal opponents who regarded any form of Russian identity with intense suspicion.<sup>37</sup>

Of course, Russian history provided much rich material for the anti-Western identity of Russians. Some pre-1917 thinkers believed that Russia was an heir to the Byzantine empire—going back to the origins of Orthodox Christianity, with traditions and customs opposed to the Catholic and Protestant West. “Eurasianism,” an intellectual product of the Russian émigrés in the 1920s, provided a more sophisticated road in the same direction. Ivan Ilyin, an influential émigré thinker, wrote in 1948 that all the countries of Europe, except for “the little Serbia,” were Russophobic. European powers preferred to weaken and dismember Russia by hook or by crook: among other things, by “imposing on Russian people unsustainable Western European forms of republic, democracy, and federalism.”<sup>38</sup> Aleksandr Solzhenitsyn, the most famous of Russian dissidents, was influenced by these concepts. Solzhenitsyn wrote in 1973:

Today it behoves us even less than during the past century to regard the Western parliamentary system as the only alternative for our country . . . Perhaps we should recognize that the evolutionary development of our country from one authoritarian form to another will be more organic, smooth, and less painful.<sup>39</sup>

Russian historian Lev Gumilev, immensely influential in the 1980s–90s, adapted the Eurasionist ideas to post-Soviet times.<sup>40</sup>

Yeltsin’s market liberals regarded any form of Russian nationalism as a threat. Their philosophy was: transform “homo Sovieticus” into “homo

<sup>36</sup> This is the theme of my work in progress, “Dmitry Likhachev and Russian identity in Soviet times.”

<sup>37</sup> See more on this in *Zhivago’s Children*, chapter 7.

<sup>38</sup> Ivan Ilyin, “Protiv Rossii,” “O raschleniteliakh Rossii,” reproduced in *Istochnik* 3 (1994), 36–40; Ivan Ilyin, *O Russkom natsionalizme (Sbornik statei)* (Moscow: Rossiiskii Fond Kultury, 2007).

<sup>39</sup> Aleksander Solzhenitsyn, additional notes to the collection *From Under the Boulders* [Iz-pod-glyb] (Paris: IMCA-Press, 1973).

<sup>40</sup> Marlène Laruelle, *Russian Eurasianism: An Ideology of Empire* (Baltimore, MD: Johns Hopkins University Press, 2008).

occidentalis”—or perish. They refused to define identity-building in liberal terms. As a result, they allowed the opposition to gain a virtual monopoly on the nationalist discourse. The anti-liberal, anti-Western forces blamed Yeltsin and market liberals for “economic genocide” of the Russian people and for creating a comprador bourgeoisie dependent on Western markets and bank accounts. These arguments underlined most convincing images, schemes, and concepts for a new Russian identity during the 1990s. Several groups served as the main vehicles in propagating anti-Western concepts and images. First, ex-Soviet “Russian patriots,” venerating Stalin’s empire and the victory in the Great Patriotic War, borrowed heavily from Russian conservative nationalists, Solzhenitsyn and Gumilev. One of them, Alexander Dugin, combined Eurasianism with crude and almost racist versions of the early twentieth century geopolitics. Second, the Russian communists were eager to put a patriotic sheen on the country’s façade. Third, the Russian Orthodox Church was eager to become a state church and to “protect Russia” from the rival religious groups, especially Western missionaries. The fourth direction was the positive reassessment of the Stalinist period, particularly the Great Patriotic War.

James Billington was one of the first Western authors to take a panoramic assessment of anti-liberal concepts in Russia. He believed (writing in the early 2000s) that all of them would remain marginal. In one specific comment, he wrote: “Eurasianism may well be the last gasp of a depleted intelligentsia seeking to cobble together an ideology that could revive Russian power and give themselves a central role in its exercise.”<sup>41</sup> Unexpectedly for Western observers, as well as Russian liberals, all these ideas of Russian identity-building became the national mainstream during the 2000s: taught at schools and universities, disseminated in mass media and films, and preached by church officials during religious holidays. And in 1998–9, Evgeny Primakov already used some neo-Eurasian ideas in his foreign policy, as justification of multi-vector diplomacy and the need to balance off the unilateral power of the United States.

Under Putin, the Kremlin began to act as the main architect of the anti-liberal, anti-Western Russian identity. Putin’s chief ideologist, Vladislav Surkov, young, talented, and a cynical operator, launched a complex campaign of identity-building in the state-controlled electronic media, highbrow publications, and the newly established “movement of patriotic youth.” Surkov’s campaign, in contrast to Soviet campaigns, did not aim at promoting one ideology. Instead, it promoted, almost in postmodernist fashion, pseudo-pluralism. Surkov’s postmodernist agitprop sponsored a “pantheon” of great Russians, from Ivan the Terrible to Solzhenitsyn, and a “bazaar” of identity,

<sup>41</sup> Billington, *Russia in Search of Itself*, 88.

where the clash between “Soviet” and “Russian” did not exist, and loyalty to Stalin could be reconciled with anti-Soviet dissent. In other words, the Kremlin did not try to build an ideological consensus, but rather sought to bring all ideological–political alternatives under one “Russian” umbrella. This amazing eclecticism became the norm. Putin restored the Soviet anthem, but with Orthodox religious lyrics; he regretted the collapse of the Soviet Union, but publicly praised Solzhenitsyn. Officials of Russian foreign ministry and security agencies began to quote from Ilyin and Solzhenitsyn, while reading Dugin’s geopolitics. Various “foundations” set up with Kremlin money began to promote a unity of “Orthodox peoples,” and even of “the Russian world” including émigré diasporas. The most scandalous development, which attracted attention in the West, was Stalin’s popularity in the Russian polls, especially among the young. In the media and numerous books on sale in Russian bookstores Stalin was a hit, and the Stalinist years were presented as a grandiose and heroic—if tragic—period of *Russian* (*sic!*) history.

The eclectic engineering of this new identity from Stalinist and anti-communist parts had, of course, nothing to do with the real views of the Kremlin masters and their bureaucratic supporters. Putin, his entourage, bureaucracy, and other parts of the service classes used selectively anti-liberal, traditionalist concepts and nostalgic images from the Stalin era to serve political goals. First, they wanted to advertise that authoritarianism was “organic” for Russia and stability could only be undermined by the “imported” ideologies of Marxism or liberalism. Second, they effectively neutralized and pre-empted the communists and the Russian nationalists by intercepting their concepts and images.<sup>42</sup> Third, they marginalized “external enemies” and their “fifth column at home” as non-Russian or anti-Russian. This proved handy in 2005–8, when the Kremlin busily erected firewalls against the West-sponsored “colored revolutions.”<sup>43</sup>

The Kremlin-sponsored “pantheon” of Russian history and the “bazaar” of identity proved to be effective for a while. Large segments of the Russian population readily agreed that anything is better than another revolution or a radical change. The theme of the Great Patriotic War and victory of 1945 never failed to evoke sympathy. Putin and his ideologists seemed to stand above bickering groups and factions. Putin’s liberal critics unwittingly played into the Kremlin’s hands by defending Yeltsin’s policies—without acknowledging their deeply traumatic effects for millions. While Russian liberals deplore servility and lack of civic consciousness among Russian people, they

<sup>42</sup> Veljko Vujacic, “Serving Mother Russia: The Communist Left and Nationalist Right in the Struggle for Power,” in Victoria E. Bonnell and George W. Breslauer, *Russia in the New Century: Stability or Disorder?* (Boulder, CO: Westview Press, 2000), 291–325.

<sup>43</sup> Interview with Narochnikskaia in October 2007, available at: <<http://www.yoki.ru/social/politics/40700-1/>> accessed on October 14, 2009.

continue to ignore the crucial issue of national identity. The polls by independent sociologists showed time and again that the stable majority of Russia's citizens, both sophisticated elites and the rest of the public, regarded the Putin regime as essentially the only possible option for the Russian statehood—without alternative.

The growing tensions with the West became another factor helping the Kremlin. In 2003–4, the Bush administration, and Western NGOs, became heavily involved in supporting the “colored revolutions” in Georgia, Ukraine, and Kirgyzstan. A bit later, the United States reached agreements with Poland and the Czech Republic (with other Eastern European candidates waiting) to create a strategic missile defense—aimed at Iran, but also facing Russia. All these developments seemed to “prove” to the Russian elite and general public that the West was waging a new Cold War—this time against post-Soviet Russia. All the Kremlin and its propagandists had to do was to orchestrate the world news in the controlled television channels to confirm this impression. A new history textbook recommended by the Ministry of Education in 2008 for millions of Russian high school students stated that the United States had “initiated” the Cold War, and for this reason, “democratization was not an option for Stalin.” The textbook explained that Mikhail Gorbachev had surrendered the Soviet empire without security guarantees and the expansion of NATO had “set a task for Moscow to pursue a more ambitious foreign policy in the post-Soviet space.”<sup>44</sup>

### “Cold peace” or “greater Europe”?

The Russian–Georgian war in August 2008 brought Russia and the West to the brink of conflict. The government of Mikhail Saakashvili acted against the South Ossetian enclave in the expectation that the US would back “little democratic Georgia” against the “Russian bear.” The war revealed the dangers of the divided Europe. The Western European countries, as well as Washington, however, were not interested in starting a smaller “cold war.” Not only because Russia was still a nuclear power, but also many European Union (EU) members were too dependent on Russian oil to risk a major conflict with the Kremlin.<sup>45</sup> For the West, much more pressing problems appeared: the financial crisis of 2008 spilt into the biggest financial crisis of the “European project” since its inception. In 2011, the outbreak of the Arab revolutions produced a reorientation of Western concerns and fears from the post-Soviet

<sup>44</sup> A. A. Danilov, *Istoriia Rossii, 1945–2008* (Moscow: Prosveshcheniie, 2008); Arkady Ostrovsky, “Flirting with Stalin,” *Prospect* (September 2008), 30.

<sup>45</sup> Dieter Dettke, “Europe and Russia,” 135.

space toward the South. The fault lines of the Russia–Western divide in Eastern Europe, with the “intermediary zone” of Ukraine, remained suspended: neither the Western countries nor Russia wanted, however, to cede ground to the other side. There are no new conflicts, but even the most optimistic Western observers believe that, at best, the relationship between the West and Russia can be called a “cold peace.”<sup>46</sup>

Can this divide be healed? At least two proposals are on the table. One, promoted by the media and think tanks in the West, seeks to reformulate the strategy of the eastward enlargement of the EU. The future of Ukraine, Belarus, and Moldova is in the focus of this proposal. There are attempts to construct a geopolitical space between the EU and Russia, called “in between Europe” or “the post-Soviet West.” There is no advocacy of NATO expansion any longer. Instead, this proposal suggests forms of financial, economic, and consultative assistance, supporting westward orientation of these countries. Some Western advocates of this proposal continue to use the arguments from the “democratic peace” theory—as they did during the NATO expansion. They argue that the integration of “in between Europe” by the West would promote peace and stability, and also exert pressure on Russia to reform and democratize. A number of Putin’s liberal critics wax enthusiastic about this proposal. Yet, too many in the West and Russia, as well as Ukraine, continue to see any changes in “in between Europe” through realist lenses, as containment of Russian ambitions or a threat to Russian security.<sup>47</sup>

Another proposal comes from those Russian experts who believe that the best scenario for Russia would be to modernize itself in alliance with the West. The advocates of this proposal, ranging from the Russian foreign ministry to the near-Kremlin Council for External and Defense Policy, speak not about Russia’s liberal-democratic transformation, but rather about a neo-Westphalian scheme of a “greater Europe”: a realist marriage of convenience. For the advocates of this proposal, the West is in decline. They point to the growing sense of crisis in the EU: the problems with “multiculturalism,” and especially the crippling debt of southern European states. The long-time Western leader, the US, became bogged down in Afghanistan and Iraq; the center of industrial and financial power shifted from the West to Asia, above all to China.<sup>48</sup> These Russians seem to say: the West should stop censuring Russia and instead

<sup>46</sup> Richard Sakwa, among others, used this term, borrowed from the historiography of the early Cold War.

<sup>47</sup> The op-eds and editorials in the *Financial Times* and *Economist*, and the pamphlets of the Heritage Foundation, speak plainly about this goal.

<sup>48</sup> See the report of an eminent group of experts at <<http://eng.globalaffairs.ru/event/Towards-an-Alliance-of-Europe>>; Fyodor Lukyanov, “Building Greater Europe,” October 25, 2010, available at <<http://eng.globalaffairs.ru/redcol/Building-Greater-Europe-15025>>.

unite with Russia against common threats and challenges, such as Islamic fundamentalism.

This second proposal reflects, in my opinion, the preferred scenario for the Kremlin and the elites that emerged in Russia under Putin's rule. Astute analysts noticed that, for all the talk about a "special Russian way" and anti-Western rhetoric, the Putin–Medvedev Russia does not present a clear alternative to the West in institutional and ideational terms. The Russian leaders do not even reject democratic forms of legitimacy (although some Russian politicians spoke vaguely about "people's authoritarianism"), but instead adopt selectively the simulacra of democratic procedures and legal norms in legitimizing their control of Russia's politics and resources. Putin's authoritarian consolidation proceeded under the slogan of "sovereign democracy." The integrationist pragmatism of the Russian leaders and elites does not include Russia's evolution toward Western liberal-democratic models, norms, and regulations. Rather, it is based on the formula: "rapprochement with the West *while* keeping aloof of the West."<sup>49</sup> Summed up more simply, this scenario reflects the economic interests of the Kremlin leaders and economic elites: to improve access to world markets while keeping the profit-distributing system in Russia unchanged; to move earned capital to the legally secure countries of the West and enjoy a good life there. Hundreds of thousands, perhaps millions, of Russians now also have foreign passports, mostly from Western countries and Israel. In 2006, the number of well-to-do Russian homeowners in London was 300,000; now it is said to have reached 450,000.<sup>50</sup> They have chosen a combination of Russia's non-integration with the West with personal integration—Western "second home," Western education for their children, etc.

The worst-case scenario for Russia–West relations would be a next round of struggle between the West and Russia for the remaining post-Soviet space. Yet this is hardly unlikely. Despite the oil bonanza, Russia is a country of rapidly falling population, with only 25 per cent living above the standards of Soviet times, and many of these planning eventually to transfer their wealth abroad.<sup>51</sup> Our analysis of the development of Russian nationalism reveals its cynical, instrumental, Kremlin-engineered nature—exploiting the remaining patriotic feelings of the Russian people. (A real surge of Russian nationalism and pan-Slavism would be a mortal threat to the Kremlin rulers, but this surge cannot happen, for the reasons stated above.) And the Kremlin would hardly risk new "oil wars" with Ukraine and other neighbors, for fear of jeopardizing

<sup>49</sup> Igor Torbakov, "What does Russia want? Investigating the interrelationship between Moscow's domestic and foreign policy." *DGAPanalyse* 1 (May 2011), 9.

<sup>50</sup> Mark Hollingsworth and Stewart Lansley, *Londongrad: From Russia with Cash* (London: Fourth Estate, 2009).

<sup>51</sup> <[http://www.demographia.ru/articles\\_N/index.html?idR=21&idArt=1347](http://www.demographia.ru/articles_N/index.html?idR=21&idArt=1347)>.



business with the West. Above all, Russia is incapable of incorporating the post-Soviet space: it lacks both hard and “soft” power for this task. Russian analyst Dmitry Furman had long ago indicated the reason behind the failure of Russia’s neo-imperialism: any form of imperial integration in the post-Soviet space with Russia acting as a center automatically evoked resistance from smaller countries. This is an issue of historical memories, but also of a huge discrepancy in size and power. Even authoritarian leaders, like Belarus’s Lukashenko, do not want to become satellites of Moscow.<sup>52</sup> The deal between Moscow and Kiev in 2010, after the election of Victor Yanukovich, only stressed the limits of Russian influence in Ukraine: Ukrainian elites decided not to join NATO or the EU, but for their own reasons and interests. Any Ukrainian leadership would be likely to give a balance between Moscow, Brussels, and Washington.<sup>53</sup>

There are many signs that the Kremlin realized this, and seeks, in a realpolitik way, to dismantle the “security dilemma” between Russia and the Eastern Europeans. Symbolic and other gestures of reconciliation with Poland and Latvia, countries that the Kremlin had previously considered almost as adversaries, are the strongest indications of this trend. Also, after years of competing over strategic pipelines from Asia to Europe, Russia seems to no longer regard this through zero-sum lenses. If this trend continues, it may diminish, if not prevent, the tug of war over the future and economic assets of the area between Russia and the EU.

The optimistic scenario would be Russia’s turn toward Western-style modernization. Unfortunately, this is unlikely as well. True, in September 2009 President Medvedev issued vocal, even desperate, calls for Russia’s modernization. The appeal carefully combined patriotic messages and an urgent call for innovation, for learning from “the rest of the world.” Medvedev’s message pointed to a greater cooperation with Western countries, as well as with China and other centers of development.<sup>54</sup> A Russian sociologist, however, responded with a verdict: “For modernizing leaps forward, the current Russian authorities lack everything: forces, resources, ideas, and leaders.”<sup>55</sup> So far, Medvedev’s modernization course has been a flop. For all the media noise about the “Russian silicone valley” in Skolkovo, as well as the money allegedly allocated to return the best Russian scientists back home from the West, we see the same kinds of imitational policies, today’s Potemkin villages. It must be

<sup>52</sup> Dmitry Furman, *Obschaia Gazeta*, March 5, 1998.

<sup>53</sup> Olexiy Haran and Petro Burkovsky, “Russian Expansion: A Challenge and Opportunity for the Emerging Authoritarian Regime in Ukraine,” in Alexander Schmemmann and Cory Welt, (eds.), *New Balances: Russia, the EU, and the “Post-Soviet West”* (Washington, DC: PONARS Eurasia, The Elliott School of International Affairs, 2011), 21–6.

<sup>54</sup> <[http://www.gazeta.ru/comments/2009/09/10\\_a\\_3258568.shtml](http://www.gazeta.ru/comments/2009/09/10_a_3258568.shtml)>.

<sup>55</sup> Lev Gudkov, “Priroda ‘putinisma,’” *Vestnik obshchestvennogo mneniia* 3:101 (July–September 2009), 11.

stressed again that the new Russian elites—for structural domestic and international reasons—are not really interested in developing and modernizing Russian society, its political system, or even economy (outside the profitable sectors like the energy sector). The rotation in the highest offices between Medvedev and Putin means additional political stagnation, not change.

Is there nothing left? In fact, quite a few processes and unforeseen options remain outside the proposals and scenarios we have discussed. For all the caveats, Russians today are freer than ever before: open borders, mass tourism, the development of human ties go unimpeded between the West, the “post-Soviet West,” and Russia. Millions of people meet, talk, overcome stereotypes, have a myriad of relationships that transcend the limitations of the pre-existing experiences. During the Cold War, the “people’s diplomacy” organized by the communist regimes to promote their goals had unexpectedly far-reaching consequences for the Soviet elites: their views about the world and themselves began to erode, until they crumbled. Today, the scope of “people’s diplomacy” is in tens of millions. The results of this development within the next twenty years are hard to fathom, but they will be huge. In this regard one cannot urge more reducing the visa barriers between Russia, Ukraine, Belarus—and the EU. In the Russian system, high-cost visas for Westerners provide income for private companies related to Russian bureaucrats.<sup>56</sup> On the Western side, however, the reasons are more complicated. One reason may be the “wall in the mind” to keep the Russians out. Many in the West argue—illogically in my opinion—that the repeal of the visa barriers would remunerate the “authoritarian regime” in Russia; there is even pressure to punish a few corrupt Russian bureaucrats by tightening visa restrictions for all Russians.<sup>57</sup> The contradiction between these motives and the agenda of free movement of people across borders in Europe (pledged in the 1975 Helsinki Act) is glaring. By keeping European space divided by the “visa curtain,” the West follows the Cold War logic of carrots and sticks—the same logic the US practiced for decades against Castro’s Cuba, with negative results.

Another “500 lb gorilla in the room” is the information revolution. Experts expect that in 2014 eighty million citizens of Russia (71 per cent of the total population) will use the Internet.<sup>58</sup> In 2009–10, the newly founded “Livejournal.ru” became a true alternative to the state-controlled television and radio, a venue of debates and information-sharing among millions of Russians. True, the Russian part of the Internet is not free from the Kremlin-engineered and sponsored identity “bazaar”: aggression, xenophobic nationalism, and

<sup>56</sup> Sergey Golunov, “EU–Russia visa talks: Open and hidden agendas,” in Schmemmann and Welt, *New Balances*, 6–11.

<sup>57</sup> Recently, another proposal came to the fore: to blacklist those officials to deny them Western visas.

<sup>58</sup> <[http://www.strf.ru/material.aspx?CatalogId=222&d\\_no=38907](http://www.strf.ru/material.aspx?CatalogId=222&d_no=38907)>.

extremist views find ample room there. Still, the Internet has become a place where problems and views can be candidly discussed and ruthlessly exposed—for all who want to read and think. The information revolution also affects Western public views of Russia. More Western users, even if they do not know anything about Russia's tragic and traumatic history, are learning to listen to the Russians and respect their views and experience through blogs and other Internet media. Especially useful for both sides is direct confrontation of views, prejudices, and stereotypes between young Westerners and young Russians. This "confrontation on the web" is often as important as travel and tourism in affecting mutual stereotypes and expectations.

And the last greatest factor is time—the most important dimension for a historian. Mikhail Gorbachev used to say: "processes are on the march." Kennan's advice of patience about Russia's evolution has not lost its meaning. Indeed, how much time does one need to erode the divides that lasted for eighty years? Twenty years after 1991 we see that only part of the job is done, but many of the past divides have been recycled and reinvented, albeit in less drastic ways. Politically, the status quo between Russia and the West may last for twenty more years, particularly if Putin and his elites stay in power. But other changes may overthrow this status quo. What will happen? Will there still be a "post-Soviet West"—or just one cultural, economic, and visa-free space from Vancouver to Vladivostok? Or will it be, in black Soviet humor, "all quiet on the Chinese-Finnish border"? Only time will tell.

# 12

## The European Union at Twenty: Can Europe Be Saved?

*Frédéric Bozo*

Since its inception six decades ago, obituaries have regularly been pronounced on the coming death of the European project. Since such pronouncements, more often than not, have been made by europhobes or euroskeptics, they could readily be dismissed. Yet coming from a prominent American observer and Nobel Prize winner who belongs to neither of these categories (although he has long harbored doubts about the sustainability of a European common currency) and who otherwise writes that European unification has created “perhaps the most decent societies in human history, combining democracy and human rights with a level of individual economic security that America comes nowhere close to matching,” the question: “Can Europe be saved?” needs to be taken somewhat more seriously.<sup>1</sup>

True, the history of European unification has long been one of recurrent crises. Yet the current euro crisis—which has developed against the backdrop of a global economic and financial upheaval—is truly a defining moment, for two reasons: first, because it reveals the actual state of the European project; and, second, because it highlights the magnitude of the choices that lie ahead. Twenty years after the creation of the European Union (EU), the glass is either half full or half empty—depending on the optimistic or pessimistic nature of one’s judgment. Yet there is little denying that “Europe is currently at a turning point of its history,” as recently affirmed by a group of prominent policymakers and academics.<sup>2</sup>

<sup>1</sup> Paul Krugman, “Can Europe be saved?” *The New York Times*, January 12, 2011.

<sup>2</sup> *Project Europe 2030: Challenges and Opportunities*, A Report to the European Council by the Group on the Future of the EU 2030 (May 2010), available at <[http://www.reflectiongroup.eu/wp-content/uploads/2010/05/reflection\\_en\\_web.pdf](http://www.reflectiongroup.eu/wp-content/uploads/2010/05/reflection_en_web.pdf)>.

To be sure, only future developments will tell which of these descriptions—a glass half full or half empty—was closer to the truth. The present chapter was completed in the fall of 2011, in the midst of an umpteenth episode of the Greek debt crisis—thus making any prediction hazardous at best. Of course, historians are not meant to foretell the future anyway. Yet they can offer perspective. Examining the last two decades of European construction provides such perspective: the current state of the European project cannot be understood without looking back over the decisions made twenty years ago and since then, starting of course with the 1991–2 Maastricht Treaty which created the present union.

The first section of this chapter, therefore, focuses on the Maastricht “moment” and its aftermath. Against the backdrop of the end of the Cold War, the Maastricht Treaty was an ambivalent achievement. Yet, for a while at least, it proved to be a success: during the 1990s, the EU prospered and asserted itself as the cornerstone of post-Cold War Europe.

The second section, by contrast, tries to explain the failures of the period that followed. Over the first decade of the twenty-first century, the European Union’s record became steadily and seriously tarnished: the EU failed to assert itself as a global power as Europeanists had hoped; worse still, its profound structural flaws were exposed by the 2008 global economic and financial crisis, leading to an unprecedented sense of European crisis and rising concerns as to the viability of the EU.

The third section examines possible scenarios and asks under what conditions Europe can be “saved.” Irrespective of the unpredictable evolution of the current EU crisis, it argues that the time has come to move beyond the ambivalence of the Maastricht moment.

### The ambivalence of the Maastricht moment

In order to assess the evolution of the European Union since the end of the Cold War and to understand its current state, it is important to keep in mind the complex set of factors that led to the relaunch of European construction in the early 1990s. The Maastricht Treaty was indeed a forward-looking event that aimed to shape European construction over the long term, but at the same time it was also the balancing act that ended a long historical period. Maastricht was forward-looking because of the dialectic that connected it with overcoming the Cold War. On the one hand, European construction—to a degree often not apparent to contemporaries—was one of the key factors that brought about the end of “Yalta.” In very important ways which cannot be discussed at length here, the “European” factor played a major role—both as a catalyst and as a facilitator—in the events that led to the overcoming of

the East–West conflict, whether the evolution of Soviet policy, the peaceful emancipation of Eastern Europe, or German unification.<sup>3</sup> On the other hand, and more vitally for our purpose here, European construction was decisively relaunched as a result of the end of the Cold War. The promoters of the Maastricht Treaty—not least French president François Mitterrand and West German chancellor Helmut Kohl, who in 1989–90 had jointly decided to accelerate the process of European integration as a response to German unification—believed it was *the* key response to the challenges that resulted from the demise of Yalta. The future European Union, they believed, would offer a mode of stability to the new democracies of Central and Eastern Europe; it would help to anchor the Soviet Union (later Russia) to the West; and, last but not least, it would make it possible to embed a reunified Germany in a revitalized European construction. In short, the architects of Maastricht were determined to make the soon-to-be European Union the cornerstone of post-Cold War Europe.<sup>4</sup>

But Maastricht was also a balancing act. The treaty was not written on a blank slate: its key aspects were the outcome of decade-old evolutions and debates. While it was the result of a fresh effort (the Genscher memorandum of 1988 and the Delors plan of 1989), its foremost achievement, economic and monetary union (EMU), had first been set as a goal by the Six in 1969 (the Werner Plan). Meanwhile, the treaty's most symbolic aspect, the creation of the European Union itself, marked the conclusion of a process launched by the then Nine at the Paris Summit in 1972. Finally, the Union's role as a politico-strategic actor, another key ambition contained in the Maastricht Treaty, had been a matter of discussion since the failed attempts of the European Defence Community (1951–4) and the Fouchet Plan (1961–2). The Maastricht Treaty, in other words, was not only the expression of a grand design for post-Cold War Europe. It was, just as importantly, the result of a complicated and often frustrating negotiating process, not least between its two key promoters, France and Germany.

The foregoing explains the ambivalent nature of the Maastricht Treaty. Each of its three main ambitions was indeed mitigated by limits inherited from the past. The foremost ambition of Maastricht was, of course, to trigger a new phase of European integration through the creation of a single currency. The EMU, its promoters believed, would both deepen Europe's economic integration in the wake of the completion of the single market (to be achieved by 1993) and, as a result, hasten its political unification. At the same time,

<sup>3</sup> For a discussion of the importance of the “European” factor at the end of the Cold War, see Frédéric Bozo, Marie-Pierre Rey, Leopoldo Nuti, and N. Piers Ludlow (eds.), *Europe and the End of the Cold War: A Reappraisal* (Oxford: Routledge, 2008).

<sup>4</sup> On this, see Frédéric Bozo, *Mitterrand, the End of the Cold War, and German Unification* (Oxford: Berghahn Books, 2009).

however, the EMU was the outcome of difficult compromises, not least between France's political vision of the single currency as a central element in a fully fledged European entity, and Germany's willingness to preserve the legacy of the deutsche mark and an essentially non-political approach to currency management.<sup>5</sup> The result was the creation of a currency union that left undecided, for the time being, the issue of an economic—let alone a political—union. In the functionalist tradition launched by the Schuman Plan, the EMU, in other words, was in many ways a wager on the anticipated spillover effects of the creation of the euro.

Maastricht's parallel ambition was to move beyond what for four decades had been predominantly an economics-centered process of integration. The European Community (EC)—heir to the old European Economic Community (EEC)—would, accordingly, amalgamate into a fully fledged European Union (EU), reflecting the more encompassing character of European unification that would prevail from now on. Here again, however, there were limits to this grand design, whose promoters could not ignore the legacies and controversies of the past. The political entity created by the Maastricht Treaty was thus the result of complex *quid pro quos* between advocates of a supranational approach and those of an intergovernmental approach, and between those of a federation and those of a confederation. This was reflected in the three-pillar institutional set-up of the treaty: the “communitarian” first pillar (essentially resulting from the EEC and the EMU), and the intergovernmental second and third pillars for common foreign and security policy (CFSP) and justice and home affairs (JHA). On top of the three pillars—and bridging them—was the union itself. Here, also, there was a gamble: that these separate elements would, over the years, develop into a more unified, integrated entity.

Maastricht's final ambition—at least for the most convinced among Europeanists—was to establish the EU as the cornerstone of European stability and security after the Cold War and, beyond, as a global politico-strategic actor in its own right. The main vehicle here was the creation of CFSP and the long-term perspective (included in the treaty) for a common defense. Yet the design for a strategically assertive Europe was not uncontroversial: the old fault lines between Gaullism and Atlanticism, and those (not necessarily congruent) between cooperative and integrationist approaches to defense and security were reflected in the provisions of the Maastricht Treaty. As a result, advocates of an assertive CFSP would have to make do with NATO's continued role on the one hand, and with a strictly intergovernmental

<sup>5</sup> On this, see Mary Elise Sarotte, “Eurozone Crisis as Historical Legacy: The Enduring Impact of German Unification, 20 Years On,” *Foreign Affairs* (September 29, 2010), available at <<http://www.foreignaffairs.com/articles/66754/mary-elise-sarotte/eurozone-crisis-as-historical-legacy?page=show>>.

decision-making process on the other. The result was a potential gap between the EU's proclaimed ambition and its ability effectively to deliver security and act strategically.<sup>6</sup>

Like many previous turning points in European construction, the decisions of 1990–2 were thus defined by a combination of idealism and realism, of vision and negotiation. Over the following decade, they nevertheless yielded three major achievements. First, Maastricht effectively inaugurated a new phase of European unification. The treaty's key project, the EMU, was successfully brought to completion. This was by no means preordained. Not only, as seen above, was the blueprint uncertain, but the currency crisis of 1992–3 and lingering disagreements over the contours and modalities of EMU could well have derailed it. Yet by 1997 agreement had been reached, as reflected in the Stability and Growth Pact signed in May of that year, and on January 1, 1999 the euro was launched. Against the backdrop of the current crisis, it is of course easy to discard this achievement. Yet the creation of the European currency *was* a success: over the ten years that followed, the euro had indisputably established itself as a strong currency and the eurozone had grown from eleven to sixteen members. (In addition, EMU arguably did have spillover effects. One of them, discussed below, was in the realm of defense: although there were other factors behind the creation of the European Security and Defence Policy (ESDP), Europeanists in 1999 were convinced this would become the next European great project after the euro.)<sup>7</sup>

The EU's second important achievement in the wake of Maastricht was laying to rest the institutional controversies that had pervaded European construction from its beginnings. This was, to be sure, a long, painful and frustrating process—one that absorbed most of Europe's energies for nearly two decades. Yet the outcome—from the 1997 Amsterdam Treaty to the 2001 Nice Treaty, and from the ill-fated 2004 Rome Constitutional Treaty to the “simplified” 2007 Lisbon Treaty—has been a significant one. On the one hand, all this treaty work—especially that of the 2002–3 European Convention—has given way to a streamlined institutional set-up (abolition of the pillar structure, a stable presidency, a rationalized external decision-making structure). On the other hand, and perhaps more importantly, it led to the overcoming—at least for the time being—of the perennial rivalry between the intergovernmental and the federal conceptions of a political Europe, and the recognition that the European Union was by nature a hybrid political

<sup>6</sup> On the many compromises, especially Franco-German, that led to the Maastricht Treaty, see Bozo, *Mitterrand*, 310 ff; and Hans Stark, *L'Allemagne et l'Europe: La politique d'intégration européenne de la République fédérale, 1982–1998* (Paris: L'Harmattan, 2004).

<sup>7</sup> See, for example, a memorandum for French president Jacques Chirac in preparation for his meeting with US president Bill Clinton, June 16–17, 1999, Archives nationales (AN), présidence Chirac, 5AG5 JFG11.



animal. As former French president Jacques Chirac aptly put it to a group of US visitors, “we [are] not in the process of building the United States of Europe, but the united Europe of States.”<sup>8</sup>

Last but not least, over the decade or so that followed Maastricht, European construction in effect became the cornerstone of European stability. This third achievement was perhaps the least assured, given the EU’s initial dismal performance. While in 1991, against the backdrop of the break-up of Yugoslavia, the foreign minister of Luxemburg had famously declared that this was “the hour of Europe,” the EU soon proved incapable of coping with the return of war on the continent. Internal divisions, more than insufficient military capabilities, quickly led to European powerlessness, in sharp contrast with the great expectations placed in the nascent CFSP. The NATO intervention in the summer and the US-brokered peace in Dayton in the fall of 1995 illustrated the Europeans’ Balkans fiasco. Yet by the time of the 1999 Kosovo crisis, the Europeans had learned their lesson. They were now showing a unity of purpose. True, the role of NATO—and of the United States—in the military operation against Serbia was once again overwhelming; but the crisis convinced the Europeans that the EU needed to be able to cope with similar challenges in the future, leading to the creation of the ESDP in its immediate aftermath. The EU, in addition, from then on was carrying the bulk of reconstruction efforts in the Balkans. By the beginning of the new decade, it was clear that the decreasing interest of the US in European security—soon confirmed by the events of September 11, 2001—would increasingly lead the Europeans to assume a leading role in the stabilization of the continent and to complete the project of a “Europe whole and free.” For an enlarged EU, the continent’s stability had de facto become an internal affair.

The enlargement process was, in fact, the clearest expression of the persistent vitality of European unification in the post-Maastricht period. To be sure, anchoring the new Central and Eastern European democracies to the EU—perhaps the foremost post-Cold War European challenge—could have been done without actually making them members, as Mitterrand’s ill-fated plan for a European confederation in 1989–91 had envisaged.<sup>9</sup> Yet by the time of the December 1993 European Council in Copenhagen, the ineluctability of plain enlargement had been confirmed, opening the way to the EU’s increase from twelve to twenty-seven members in less than fifteen years. Throughout the 1990s and well into the following decade, the enlargement process thus confirmed the huge power of attraction of the EU and, by the same token, the

<sup>8</sup> Meeting between Chirac and several members of the US Supreme Court, July 11, 1998, SAG5 BE11.

<sup>9</sup> On this see Frédéric Bozo, “The Failure of a Grand Design: Mitterrand’s European Confederation (1989–1991),” *Contemporary European History*, 17:3 (2008), 391–412.

continuing post-Cold War relevance of European construction. By the turn of the new century, the European project was therefore widely recognized as an ongoing success story. Given the original ambivalence of the Maastricht moment, this was by no means preordained.

## Explaining the EU's lost decade

Over the past few years, the picture has changed dramatically. Whereas the last decade of the twentieth century had been a beneficial period for European construction, the first decade of the twenty-first century in many ways has been a lost decade. Since the turn of the century, the European Union has been fraying, whether internally (in terms of its viability as an integrated entity) or externally (in terms of its ability to weigh as an international actor). Compounding all these difficulties, the EU has become a highly dysfunctional organization, seemingly unable to make quick and relevant decisions to meet the huge challenges it faces—not least against the backdrop of the lingering economic and financial crisis. As a result, major uncertainties prevail today as to the future sustainability of the European project.

The most daunting challenge confronting the EU today has to do with no less than its ability to remain a closely-knit economic entity—the foremost accomplishment of six decades of European integration—and, down the road, a viable political entity. When the euro was launched in 1999, the future looked bright. The EU's goal, according to the 2000 Lisbon Strategy, was “to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.”<sup>10</sup> Combined with the single market, the euro, it was thought, would lead to increased economic integration and convergence. Although the issue of economic governance had been left undecided, it was hoped it would resolve itself—at a minimum thanks to the implementation of the Maastricht criteria and, at best, through the emergence of some kind of economic government of the eurozone. The ineluctable result, many assumed, would be a great leap forward in the direction of an ever closer political, not just economic, union.

Ten years later, the results are damning. Over the past decade, the EU has not done particularly well compared with other developed economies. Much more critically, by translating into a major upheaval of the eurozone, the global financial and economic crisis that erupted in 2008 has exposed the major design flaws of the Maastricht construct. Faced with the need to bail out

<sup>10</sup> European Council, March 23–4, 2000, Presidency Conclusions, <[http://www.europarl.europa.eu/summits/lis1\\_en.htm](http://www.europarl.europa.eu/summits/lis1_en.htm)>.

struggling European banks and, even more vitally, states (starting with Greece and Ireland in 2009–10), the Europeans found themselves profoundly at odds over an adequate response. Once again the dividing line—reflecting the Maastricht and post-Maastricht debates—was between Germany, initially reluctant to adopt a collective and mutual European response to the debt crises, and France (backed by most countries of the eurozone), who strongly advocated such a response. Throughout most of 2010 and 2011, the fate of the euro—and that of the European project as a whole—seemed to hang in the balance. As of completing this chapter in the fall of 2011, the still unresolved Greek debt crisis in fact remains a huge question mark.

True, the Europeans, after a painful process, were able to find some common ground. They have (at least so far) been able to avert a crisis of considerable magnitude—as would likely have resulted from a default by a member of the eurozone—thanks in particular to the creation in 2010 of a European financial stability facility (EFSF), to be replaced by a permanent European stability mechanism (ESM) in 2013.<sup>11</sup> Yet the euro debt crisis is arguably far from over, as demonstrated by the need for a hastily arranged second rescue package for Greece in the summer of 2011 and the looming risks of contamination of other economies like Spain or Italy. More crucially, the euro crisis has uncovered a three-fold structural reality which had been concealed during the euro's first decade—even if many had sounded the alarm early on. First, on the economic level, the very existence of a common currency has led over the years to increased divergences, not convergences, among the national economies. With devaluation no longer an option to address growth and competitiveness discrepancies within the eurozone, the availability of low interest rates—a positive effect of EMU—has made it tempting for the weaker economies to tackle their problems simply by borrowing money, thus aggravating their deficits and debts.

Second, on the economic policy level, the crisis has exposed the inadequacy of the economic governance of the eurozone. For more than a decade after the launch of the single European currency, mechanisms to prevent or deal with such divergences—whether through effective monitoring of individual economies or by means of intra-EU economic and fiscal solidarity—have remained almost non-existent, thus allowing the problem to grow to dangerous proportions. Third, and even more fundamentally, on the political level, the crisis has made clear the inconsistency that prevails between the existence of a monetary union and the lack of a strong and pervasive political union—without which an effective system of economic governance is, in fact, impossible. Much more than a sovereign debt crisis (the eurozone's global debt,

<sup>11</sup> "EU moves to avoid future crises," *Financial Times*, December 18, 2010.

relative to its aggregate GDP, is perfectly manageable), the euro crisis, in other words, is a crisis of European unification. It has revealed a fundamental truth: more than a decade after the launch of the euro—which was conceived as a catalyst for further unification—the union remains incomplete, including in its core economic dimension.

Externally, the EU has fared no better than internally over the past decade. One of the key ambitions of the promoters of Maastricht was to make the EU an actor on the world scene. The completion of EMU and the creation of the ESDP at the turn of the century seemed bound to achieve just that. With a common currency and a nascent defense, Europe was now equipped with the key attributes of power. In spite of crises—not least that over Iraq in 2003—the Europeans seemed to share a vision of the kind of international system they wanted to promote, and of their own role in it. Thus the European security strategy, adopted at the end of 2003, confidently asserted that “as a union of 25 states with over 450 million people producing a quarter of the world’s Gross National Product (GNP), and with a wide range of instruments at its disposal, the European Union is inevitably a global player.”<sup>12</sup>

Yet barely five years later it had become clear that the EU was in fact failing to deliver. As Charles Grant remarked in 2009, “Ten or even five years ago, the EU seemed to be a power on the rise . . . But now . . . it no longer looks like a power in the making.”<sup>13</sup> True, in that realm there was no major challenge of the magnitude of the euro crisis—just a slow slide toward Europe’s irrelevance in an increasingly multipolar world. Hence, hopes that the EU would become America’s foremost strategic partner after the divisive administration of George W. Bush were quickly shattered by the little disguised lack of interest shown by the incoming administration of Barack Obama.<sup>14</sup> Europe was further dismissed by a rising China, even less inclined to conceal its scorn, as shown by Beijing’s cancellation of an EU–China summit in the fall of 2008. And at the December 2009 Copenhagen conference, the United States and China in effect converged at the EU’s expense, ignoring Europe and its ambitious agenda for dealing with climate change. The bottom line is that today’s global players—old or new—simply do not recognize the EU as one of them. While it remains uniquely capable of diffusing norms and standards, the EU’s capacity to produce the kind of power (military, but also, increasingly, economic or environmental) that will shape the emerging multipolar world seems bound to remain desperately limited. The reasons are obvious: as their poor collective showing in international crises—most recently that over

<sup>12</sup> *A Secure Europe in a Better World*, <<http://ue.eu.int/uedocs/cmsUpload/78367.pdf>>.

<sup>13</sup> Charles Grant, *Is Europe Doomed to Fail as a Power?* (London: Centre for European Reform, 2009), 1.

<sup>14</sup> On this, see Jeremy Shapiro and Nick Witney, *Towards a Post-American Europe: A Power Audit of EU–US Relations* (London: European Council on Foreign Relations, 2009).

Libya—regularly show, the Europeans still lack both a common vision of their role on the world scene and the means to defend it.<sup>15</sup>

The external and internal challenges Europe is facing today are compounded by the dysfunctional character of the EU institutions. To be sure, the treaty work that has been done since the 1997 Amsterdam Treaty has given way to a more robust institutional system. The Lisbon Treaty has achieved significant progress in the direction of more efficient decision-making, in particular externally.<sup>16</sup> Yet the situation clearly remains unsatisfactory, given the nature and magnitude of the challenges the Europeans are confronting. Internal decision-making within the union remains unwieldy and frustrating, as the financial crisis has amply shown; and, as an international actor, the EU remains “divided, slow-moving and badly organized.”<sup>17</sup> The survival of the national presidencies in spite of the Lisbon Treaty’s establishing a “stable” presidency is an illustration of this (not even mentioning the fact that the last three presidencies—euroskeptic Czechia, divided Belgium, and populist Hungary—have been disastrous for different reasons). It’s no wonder, then, that the major players of this world—the markets and the big powers—have a hard time taking the EU seriously and that the US president was left “incredulous” after his first encounter with the twenty-seven in Prague in 2008.<sup>18</sup>

So how did we get where we are? Why is the EU, which seemed reasonably successful in its first decade, now in such a critical, fractious condition? While the troubled economic and geopolitical context of the past few years has no doubt played an aggravating role, the current situation is, first and foremost, the consequence of the Europeans’ own choices—or non-choices. It is decisions made or not made at Maastricht and since then regarding key aspects of European construction—whether in terms of deepening, enlargement, or integration in the true sense of the word—that explain the currently precarious and unfinished state of the unification process. While these decisions may have served the European project well in the relatively tranquil post-Cold War situation that characterized the aftermath of the Maastricht relaunch, they have fallen short of meeting the tremendous challenges of a far more unpredictable and troubled era of globalization, thereby exposing the project’s design flaws.

Perhaps the most consequential of the choices that explain the current disarray of the European Union has been that of massive enlargement. To be

<sup>15</sup> See Grant, *Is Europe Doomed*.

<sup>16</sup> On the external aspects of decision-making after Lisbon, see Anthony L. Gardner and Stuart E. Eizenstat, “New Treaty, New Influence? Europe’s Chance to Punch its Weight,” *Foreign Affairs* (March/April 2010), 104–19.

<sup>17</sup> Grant, *Is Europe Doomed*, 1.

<sup>18</sup> Shapiro and Witney, *Towards a Post-American Europe*, 28.

sure, the EU's expansion reflected the extraordinary attraction of the European process and it made an irreplaceable contribution to the post-Cold War stabilization of the continent—but it came with a price. Because bringing the new democracies of Central and Eastern Europe into the EU turned out to be the Europeans' most consistent effort in the fifteen years after Maastricht, it has been pursued at the expense of other considerations, not least effectiveness and cohesion. Although it has increased the European Union's economic and demographic weight, this situation has, by the same token, deepened its internal fault lines. As a result, it seems clear today that such an economically diverse bloc is less likely eventually to develop into a coherent whole (or at least that this will take a very long time), thus making it a fragile and vulnerable entity. In the same vein, there is little doubt that a union of twenty-seven has more difficulties reaching a unified purpose on the international scene than would a smaller entity, thereby hampering the bloc's ambition to become a global player. Enlargement may have been ineluctable and beneficial, but it has turned into a liability for the long-term future of the European project.

A second consequential choice has been that of a limited, if not minimal, deepening process. As already underlined, the everlasting quarrels over the desirable end state of European unification—a federation or a confederation—have been all but buried under the treaty work from Amsterdam to Lisbon. But here too there was a price to be paid in that the EU has failed to grow into a more potent and cohesive entity. The Maastricht Treaty in many ways created the pretense, not the reality, of increased unification. Since Maastricht, there has been no significant increase in the prerogatives, competences or scope of the union itself: beyond the façade of a fully fledged entity, the EU remains but a thin European layer topping member states that have essentially retained most of their own prerogatives. (A telling indication is the fact that the EU budget still represents barely 1 per cent of the bloc's GDP—slightly less, in fact, than two decades ago.) This situation goes a long way in explaining the present trials of the union. A more encompassing and robust entity, involving a more substantial degree of cohesion and solidarity, would obviously have fared better in the current crisis. It would have been more capable of dealing with intra-EU economic divergences upstream, and of limiting the impact of the sovereign debt problem downstream. The same kind of argument applies to the EU's failed ambitions as a global power. An EU representing little more than the sum of its own member states on the world scene can hardly be expected to become a geopolitical heavyweight—especially as these same members have continued to diverge internationally. The conclusion seems inescapable: the resilience of nation states beneath the recent development of the European Union is another fundamental reason behind the current hardships and uncertainties of the European project.

Finally, there is the core issue of integration in the functionalist sense (as distinct from the institutional or organic approach), i.e. creating *de facto* solidarities in specific sectors with a view to advancing a genuinely European community over the long term. This, of course, has been the hallmark of European unification since the Schuman Plan and the original European Coal and Steel Community (ECSC). But here again, the present uncertainties affecting the union reflect decisions or non-decisions made since Maastricht. While it was believed that the achievement of a single European market and the creation of a single currency would trigger a new phase of genuine integration in various sectors, thereby serving as a powerful driver of the European unification process, this calculation also proved wrong. Although new common European policies were launched over the past two decades—such as ESDP—none of them was truly integrationist *à la* Jean Monnet. For this to have happened, the Europeans would have had to embark on new, supranational (as opposed to intergovernmental) projects, which has not been the case. The exception was the euro itself, but, as seen above, the common currency has not led to the emergence of a significantly more integrated economic community. The bottom line, therefore, is clear: combined with the limits of institutional deepening, the lack of substantial progress in European integration in the original sense to a large extent explains the current state of disarray of the European project.

### Can Europe be saved?

What the crisis reveals, in other words, is the incompleteness of the European project. Once again, under the façade of the newborn union, Maastricht was an ambivalent moment. Of course, it was an important contribution to the peaceful ending of the Cold War, and it provided a robust framework for the management of post-Cold War Europe. But it was also a wager: for its architects, decisions made at the time would set in motion a process that would trigger new advances in European integration, thereby making possible a major step toward a more complete and thorough unification. What recent developments have exposed, then, is that such advances have not taken place, or that they have been limited in spite of the EU's institutional transformation. In a nutshell, the ambivalence of the Maastricht moment has not been superseded. But as with all crises, the current one does not just reveal a situation: it is likely to catalyze future evolutions. The euro crisis indeed demonstrates that European unification is either too advanced or too limited: a monetary union without a corresponding system of economic governance, let alone a fully fledged union, has proved to be a fragile, if not dangerous, construct. The consequence seems straightforward: European unification

must either move forward or face the risk of being called into question. So what are the possible scenarios?

Is unraveling, as some predict, truly an option? A process of *active* disintegration is, happily, quite unlikely. True, the current economic and financial crisis—not least the seemingly unending Greek debt crisis—constitutes a dangerous circumstance for the European project, and the ongoing surge of populism in many EU countries is of course an aggravating factor in that regard. To blame one's hardships on the European Union is all the more tempting in those countries hit by the euro debt crisis and subject, as a result, to draconian austerity measures. Since the common currency does not bring with it the advantage of a true mutualization of the debt (not to mention fiscal solidarity), the citizens of Greece, Ireland, or Portugal may ask, why live with the disadvantage of a monetary union that makes it impossible to devise a national economic strategy to get out of the crisis and, in particular, to tackle competitiveness problems through currency devaluation? The current crisis, in other words, can only foster the trend toward a renationalization of economics and politics that has occurred over the past few years throughout the European Union, thus weakening European integration and undermining the Europeans' already elusive sense of commonality.<sup>19</sup>

And yet a deliberate splintering of the eurozone—which no doubt would be a devastating blow to the European project as a whole—to this day appears quite improbable. The economic cost of an individual country's abandoning the euro would be prohibitive as a result of the nominal increase in that country's national debt and of the kind of disruption that the move would no doubt provoke. As to the political price, it would also be enormous, both for individual countries and for Europe as a whole. That the German chancellor and the French president, against the backdrop of the euro crisis, should both have felt compelled in their 2011 New Year's greetings to reaffirm their commitment to the European currency in no uncertain terms, and to solemnly remind their citizens that European construction had brought sixty years of peace to the European continent speaks volumes in that regard. To relate the existence of the euro to the prevalence of peace in Europe may sound historically far-fetched, but it does give a measure of the sense of political responsibility that European leaders—happily—continue to share.<sup>20</sup>

As often in the history of European construction, muddling through seems to be a far more likely option at this juncture. It is, in fact, the currently unfolding scenario. As already emphasized, since 2009 European leaders—not

<sup>19</sup> See, for instance, Charles Kupchan, "As nationalism rises, will the European Union fall?," *Washington Post*, August 29, 2010.

<sup>20</sup> See Voeux de M. Le président de la République, December 31, 2010 <<http://www.elysee.fr>>; Neujahrsansprache von Bundeskanzlerin Angela Merkel zum Jahreswechsel 2010/2011, <<http://www.bundeskanzlerin.de>>.



least the Germans and the French—ultimately have been able to devise a response to the euro crisis. In spite of their initial differences, Berlin and Paris have managed to reach a compromise between the former's insistence on the fiscal responsibility of individual states and respecting the letter of European treaties on the one hand, and the latter's call for a collective management of the debt crises and a strengthening of the economic governance of the eurozone on the other hand. The result was the "pact for competitiveness" adopted in the spring of 2011 and the additional decisions made the following summer (against the backdrop of the adoption of a second financial rescue package for Greece). Not least of these were allowing the EFSF/ESM to intervene on the secondary markets and thus offer precautionary credit lines—a measure that moves the fund closer to a European international monetary fund (IMF) of sorts—and agreeing to consider effective steps toward a reinforced economic governance of the eurozone.<sup>21</sup> This was by no means a foregone conclusion, given the gap that initially prevailed between Germany and France (in fact between Germany and most of the other member states). Still, decisions made over the past two years have—at least as of this writing in fall 2011—prevented the European debt crisis from getting out of control. What we are witnessing as a result is the creation, if only in embryo, of an economic governance of the EU/eurozone: even orthodox Germans recognize that a sheer implementation of the fiscal strictures of the stability pact will not suffice and that there is now a need to increase Europe's ability to devise more congruent economic policies.

Yet this is, indeed, just muddling through: the Europeans, to this day, have refrained from making the much more far-reaching and audacious decisions that circumstances arguably call for, such as moving—even progressively—toward a fiscal community or setting up a collective debt emission and management system—in other words using eurobonds—as suggested by an increasing number of prominent Europeans.<sup>22</sup> So will muddling through suffice? The jury is out. Much, of course, will depend on economic developments and the Europeans' ability to overcome the current conundrum and to weather future crises. As said above, the sovereign debt crisis, for one, is probably not over. Based on the decisions made so far, markets may not be convinced that member states are seriously committed to doing what it takes to stem the crisis; as a result, more dominos (Spain and Italy being next in line) may well fall, this time with potentially devastating consequences. It is

<sup>21</sup> See "EU leaders agree €109 billion Greek bail-out," *Financial Times*, July 22, 2011. Merkel and Sarkozy subsequently made specific proposals for a reinforced governance of the eurozone, including convening heads of states and governments periodically and appointing a stable president for the eurozone.

<sup>22</sup> See, for example, Jean-Claude Juncker and Giuliano Tremonti, "Europe-wide bonds would help to end the crisis," *Financial Times*, December 6, 2010.

entirely possible, in other words, that much more far-reaching decisions—those avoided twenty years ago—will have to be made *à chaud* in the relatively near future in order for the euro—and indeed the European project itself—to be rescued. The time may well have come to move beyond Maastricht—and not just in monetary matters.<sup>23</sup>

What would such a big step forward entail? To begin with, the EMU must finally be equipped with a fully fledged economic governance, involving a higher degree of solidarity—in other words, a transfers union, arguably the only way to address economic divergences and competitiveness problems under a single currency. This, in turn, would call for a major step toward a genuine political union, without which such economic governance would be not only technically dysfunctional but politically unsustainable, since only the consciousness of a true “Schicksalsgemeinschaft” can allow for enhanced fiscal and economic solidarity. Such a move toward a closer union would, of course, also be a prerequisite if the EU is ever to be in a position to gain the geopolitical weight it has been lacking so far on the international scene and to move beyond its present status as an economic giant with feet of clay. A new, decisive phase of European unification and integration is arguably the only way to pull the European project out of its present quagmire and to equip the EU with the degree of internal cohesion and external relevance, as well as functional efficiency, which it has been lacking over the past decade or so. Down the road, doubling down, not muddling through, is the solution.

But for this to happen, long-postponed choices will have to be made. The first has to do with the political and institutional model of European unification. Since Maastricht and the creation of the European Union—and, in fact, since the early years of the European process in the late 1940s and early 1950s, when “unionists” and “federalists” were competing—the Europeans have been fudging this issue. The result has been the promotion of a hybrid model of unification, with, under the façade of a fully fledged union, elements of supranationalism or federalism combined with elements of intergovernmentalism or confederalism. Yet what the current crisis has revealed is precisely the inadequacy of this hybrid model.

Of course, it has always been clear that a “federation of nation states” is, at least in theory, an oxymoron. We now know that it cannot work in practice. The crisis has shown that such a complex set-up cannot deliver the degree of political integration and solidarity that a functional economic governance requires. The same applies to the role of the European Union as a international actor. In a globalized, multipolar world whose key players today remain, more

<sup>23</sup> See Thomas Klau and François Godement, “Beyond Maastricht: A New Deal for the Eurozone,” ECFR Policy Brief (London: ECFR, 2010) <[http://www.ecfr.eu/content/entry/beyond\\_maastricht\\_a\\_new\\_deal\\_for\\_the\\_eurozone](http://www.ecfr.eu/content/entry/beyond_maastricht_a_new_deal_for_the_eurozone)>.

than ever, centralized entities capable of wielding both economic and military power—not least continent-wide nation states like the United States or China—such an ambivalent arrangement is unlikely to allow the EU to become a global strategic actor. It has thus become doubtful that a thriving European Union will ever result from the perpetuation of the hybrid model as consecrated at Maastricht, and since then. The time may have come for a bolder approach: saving Europe, as Paul Krugman rightly argues, involves “taking further major steps toward that ‘European federation’ Robert Schuman wanted 60 years ago.”<sup>24</sup>

Another important choice the Europeans will have to make concerns the very stuff of integration. Ever since the creation of the European communities in the 1950s, integration has served as the crucible of European unification, making it more than an intergovernmental project. Yet, if anything, the current economic and financial crisis has in fact revealed the resilience of the national logics and realities, be they economic or political. Many of the weaknesses of the European Union as a would-be player on the global scene may also be related to the deficiencies of integration. There is little doubt that Europe’s strength and cohesion in dealing with neighboring Russia, for example, are considerably hampered by the continued prevalence of national logics in the realm of energy, allowing external actors to divide and rule. The conclusion is that a relaunch of the process of integration in key areas—such as energy—is a prerequisite if the Europeans want the European Union to be able to overcome its current internal and external challenges. No community of destiny will ever emerge without a genuine revival of the original European integrationist inspiration.

Finally, the Europeans will have to make important choices with regard to the limits of “Europe.” It is increasingly hard to see how an ever-enlarging union will be able to develop the kind of common identity that would allow it to move in the direction of a closely knit, federal entity. Of course, the European project never had indisputable, let alone “natural,” frontiers. Some might even question whether there have to be final limits to its expansion at all: the advocates of Europe as little more than a free trade area and believers in the union as mostly a producer of norms and a diffuser of soft power almost by definition see no problem in an ever-enlarging EU—quite the contrary, since absorbing more countries is arguably the most expeditious way to achieve these goals. Yet developments over recent years have exposed the conflict between widening the EU and strengthening it, both internally and externally. Hence the enlargement fatigue that currently prevails in some EU countries, not least those of “core” Europe, in particular founding members

<sup>24</sup> Krugman, “Can Europe be saved?”

like France and Germany. Yet, while there is tactical agreement that further significant steps with regard to enlargement should be at least postponed until the union regains its “absorption capacity” (a concept that has never really been clarified), there is so far no strategic consensus as to what the desirable end state should be. In fact, one of Europe’s next crises could well be provoked by the issue of further enlargement, particularly to Turkey, whose membership is increasingly opposed among current members, not least in Germany and France. Yet such a crisis could well be a salutary one, at least in the eyes of advocates of a strong, cohesive Europe, for whom only an EU with clear and definitive boundaries—and which can demonstrate its ability to say “no”—will ever be able to evolve into a viable entity, let alone a global power.

While its backdrop has been the global financial and economic crisis of the past few years, the current crisis is fundamentally a crisis of European integration. The choices made at and since Maastricht were an important step on the road toward European unification, but the current crisis shows that the time has come to move beyond the ambivalence of the Maastricht moment. For the European project to be able to survive, the glass of European unification has to be made at least half full. Whether the Europeans will be able to live up to the challenge is too early to say. Events, of course, will play a huge role. Yet decisions will also matter enormously. To be sure, there is no shortage of vision: an increasing number of voices warn that “history is compelling us to move forward boldly.”<sup>25</sup> The unknown quantity, as always, is leadership.

<sup>25</sup> See, for instance, Felipe González, “How to Calm the EU’s Turmoil,” *The New York Times*, January 7, 2011.

# 13

## China's Prolonged Rise

### Legitimacy Challenges and Dilemmas in the Reform and Opening-Up Era

*Chen Jian*

#### Paradoxes of China's "prolonged rise"

August 16, 2010 was an ordinary day in almost every sense for the world's media. Indeed, nothing dramatic happened—no destructive earthquake, no sudden outbreak of war, no major terrorist attack, and no breakdown of any country's stock market. Quietly, however, something significant, though long anticipated, occurred. In Tokyo, the figures released by the Japanese government indicated that China had passed Japan in the second quarter of 2010 to become the world's second-largest economy, next only to the United States.<sup>1</sup> Some have also predicted that China's economy may surpass that of the United States to become the largest in the world by 2030, if not earlier.

Two months later, the Norwegian Nobel Committee announced that the Nobel Peace Prize for 2010 would be awarded to Liu Xiaobo, a renowned Chinese literary critic and human rights activist, "for his long and non-violent struggle for fundamental human rights in China." This should have been a moment of celebration and national pride in China—after all, Liu was the first citizen of the People's Republic of China (PRC) to become a Nobel prize laureate. However, Liu was unable to attend the Nobel Prize award ceremony in Oslo. He was in prison, serving eleven years' imprisonment plus two years'

<sup>1</sup> In the second quarter of 2010, while Japan's economy was valued at about \$1.28 trillion, China's economy was valued at \$1.33 trillion. David Barboza, "China Passes Japan as Second-Largest Economy," *New York Times*, August 16, 2010.

deprivation of political rights for the alleged crime of “inciting subversion of state power.” The PRC government responded angrily to the choice of Liu as the recipient of the highly prestigious peace prize, branding it as a decision that “violates China’s sovereignty and interferes with China’s internal affairs.”<sup>2</sup>

As a historian, I find that these two seemingly unrelated events have important meanings in both practical and symbolic senses. They vividly depict, among other things, the profound paradoxes sitting deeply within China’s phenomenal economic growth in the past thirty years. China in the age of “reform and opening up” has witnessed mixed and highly uneven developments. While the Chinese economy has advanced at an unprecedented speed and Chinese society has experienced profound transformation, China’s political system remains characterized by the Chinese Communist Party’s (CCP) one-party domination. In the meantime, China’s military build-up, accelerated in recent years, has caused worries that Beijing means not only to modernize China’s defense capacity but also to expand its offensive capability beyond its borders. Moreover, although China has been increasingly incorporated into the world economy and institutions such as the World Trade Organization, it is not yet a genuine “insider” of the existing international system, in that its government still refuses to accept some of the system’s norms (like those concerning basic human rights, as revealed in the Liu case).

A series of questions thus emerges. Will China, burdened by discrepancies between its growing economy and changing society and its stagnant political system, continue to develop at the same magnitude and rapidity in the coming decades? If indeed China is continuously becoming stronger, what role will it play in Asia and the world? Will China, as various versions of the “China threat” thesis have warned, become a dangerous expansionist power threatening regional and global peace and stability? Or will China, with the continuous progress of the “reform and opening up” process, eventually change into a more responsible and cooperative member—a genuine “insider”—of the international community? Considering that China is the country with the largest population and one of the longest and most continuous civilizations in the world, one thing is certain: no matter how these questions are answered, they will carry significant meanings for the world’s future development.

There are different ways to answer these questions. In this chapter, I adopt a historical approach by treating China’s rise—or, more accurately speaking, China’s prolonged rise—not only as a phenomenon generated by the reform

<sup>2</sup> *Renmin ribao* (People’s Daily), December 10, 2010.

and opening-up project but also as a longer, larger, broader, and deeper process that began in China's "age of revolutions." From a historical perspective, while China's embarking on the reform and opening-up process in the late 1970s represents an important point of departure for China's rise, its agenda, as well as the legitimacy narrative underpinning the agenda, was the product of China's "age of revolutions." Despite the extraordinary magnitude of Mao's revolution and "continuous revolution," these revolutions were unable to produce ultimate answers to such fundamental questions as how to define the meanings and essence of the "new China" and how best to identify China's role and position in the world, bequeathing them to China and the Chinese people in the post-Mao and post-Cold War era. Indeed, it was the successes and failures, progresses and setbacks, achievements and sufferings, and bright times and dark moments of China's revolutions that prepared some of the fundamental conditions for the coming of the reform and opening-up era. All of this has also burdened the reform and opening-up process with all kinds of hurdles, making it impossible for China's rise not to become a course paradoxical and prolonged. Binding the chapter together is the analysis of the evolving legitimacy challenge that the Chinese "communist" state has been facing, both in Mao's times and during the periods that Deng Xiaoping, Jiang Zemin and Hu Jintao served as China's top leaders.

### Mao's "continuous revolution" and its legacies

In human history, perhaps no revolution has been as ambitious, lasting, and destructive, yet as influential as Mao's revolution and "continuous revolution."<sup>3</sup> Thirty-five years after Mao's death and three decades into the "reform and opening-up" era, Maoism and most of Mao's strategies and policies have long been abandoned, and China's politics, economy, and everyday life have changed to an extent far beyond the late Chinese chairman's recognition. However, the legitimacy narrative that Mao established for the People's Republic and, related to it, some of the fundamental principles underlying his definition of China's role and position in the world, have remained in position.

When the PRC—the "new China"—was established in 1949, Mao announced to the whole world that "we the Chinese people have stood up."<sup>4</sup> This was a legitimacy statement that took, first and foremost, the Chinese

<sup>3</sup> Much of the argument in this section reflects my previous studies on the international behavior of Mao's China. I did some of the work while holding a Norwegian Nobel Institute Fellowship in 1993. I am very pleased that I can use this scholarship to support this chapter.

<sup>4</sup> Mao, "The Chinese People Have Stood Up," *Mao Zedong wenji* (A Collection of Mao Zedong's Writings), (Beijing: Renmin, 1995), 3: 342–6.

people as its audience.<sup>5</sup> Mao substantiated the statement by establishing two fundamental missions for his “revolution after revolution”: to change China into a land of universal justice, equality, and prosperity; and, by challenging and destroying the “old” world, to revive China’s central position in the international community. To be sure, Mao’s revolution had its positive aspects. Among other things, it consolidated “China” as a modern state of multiple nationalities; it eliminated, sociologically and physically, China’s age-old landlord class and the traditional gentry-scholar structure; it changed the “old” China’s gender inequality phenomenon; it upgraded the Chinese people’s level of education; and it laid the foundation of China’s industrialization and tortuous path toward modernity. In the meantime, the PRC under Mao’s reign constantly challenged the legitimacy of the existing international order, which Mao and his comrades believed to be the result of Western domination and thus inimical to revolutionary China. Mao and the CCP also challenged Moscow’s position as the headquarters of the world revolution, leading to the Sino-Soviet split as well as the disintegration of the international communist movement.

Like any design of communist modernity, Mao’s was directed by a utopian vision (only that Mao’s was probably the most utopian of all); but his extraordinary aspiration of transforming China’s backwardness into modernity in the shortest possible time was unable to stand the test of the Chinese people’s lived experience. This was especially true after the failure of the disastrous “Great Leap Forward,” which caused the deaths of tens of millions of ordinary Chinese people, and the legitimacy of Mao’s “continuous revolution” was called into serious question. Consequently, Mao’s revolutionary programs were losing the Chinese people’s “inner support” (i.e. their legitimacy).

In search of means to meet the legitimacy challenge to his revolution, Mao found that adopting and adhering to a revolutionary foreign policy was of great relevance. Indeed, in the early years of the PRC, such a foreign policy helped make Mao’s various state and societal transformation programs powerful *unifying* and *national* themes, supplanting many local, regional, or factional concerns. When Mao’s revolution was losing the Chinese people’s support, it served as a useful and effective way through which Mao might maintain both his authority and his revolutionary programs. Consequently, Mao and his colleagues seem to have been unafraid of using force in dealing with foreign policy crises.<sup>6</sup>

<sup>5</sup> The “legitimacy” of a state or a regime is defined here as everyday people’s “inner acceptance” of the policies, strategies, and, in the final analysis, constitutional representation of the state/ regime.

<sup>6</sup> Alastair Iain Johnston, *Cultural Realism: Strategic Culture and Grand Strategy in Chinese History* (Princeton, NJ: Princeton University Press, 1996), 256–7.



Why so? This should be understood in relation to the unique and highly influential Chinese “victim mentality” and Mao’s reading of it. During modern times, the Chinese perception of China’s position in the world was always informed by the conviction that it was the political incursion, economic exploitation, and military aggression by foreign imperialist countries that had undermined the glory of the Chinese civilization and humiliated China. While it is common for people in non-Western countries to identify themselves as victims of the Western-dominated course of worldwide modernization, the Chinese perception of China as a victimized member of the modern international community is most outstanding as it formed such a sharp contrast with the age-old Central Kingdom concept (which regarded “Zhongguo” or China not as a civilization among civilizations but, rather, the civilization *in toto*). Consequently, Mao and the CCP increasingly referred to revolutionary nationalism—epitomized in Mao’s “we the Chinese people have stood up” statement—to sustain the Chinese people’s “inner support.” The foundation of the legitimacy narrative of the PRC also gradually shifted from a utopian vision of communism to nationalism and, more accurately, patriotism. In Mao’s times, indeed, it was patriotism, which created one’s sense of attachment to the state, that had formed the core of China’s official ideology. This would be carried into the reform and opening-up era to support the post-Mao Chinese leadership’s efforts to justify the one-party-dominated political institution.

In spite of its aggressive international behavior, Mao’s China was not an expansionist power as the term is typically defined in Western strategic discourse. While using force, largely because of their domestic-centered and legitimacy-related concerns, what the Chinese leaders hoped to achieve was not the PRC’s direct control of foreign territory or resources, but the spread of the Chinese revolution’s influence to “hearts and minds” around the world. It was aspiration for “centrality,” rather than pursuit of “dominance,” that characterized the external policy of Mao’s China. This has important implications for understanding China’s external behavior today and in the future.

Toward the last stage of Mao’s life, he made a dramatic turn in Chinese foreign policy by achieving a rapprochement with the United States, the PRC’s arch-enemy ever since its establishment. I have pointed out elsewhere that Mao’s motivations for embracing the Chinese–American rapprochement were both strategic and domestic. Against the background that China was facing a grave security situation in the wake of the Sino-Soviet border war of 1969 and that Mao’s enterprise of “continuous revolution” was decisively losing the people’s support, the improved relationship with the US served not only to improve China’s strategic status but also allowed Mao to tell the Chinese

people once again that they had indeed “stood up.”<sup>7</sup> Mao never thought of adopting a “reform and opening-up” project of his own. However, his decisions to improve relations with the United States made it politically more feasible for his successors to pursue a course of opening up to the world.

## Deng’s “reform and opening-up” project: breakthroughs and limits

From a Chinese perspective, in many key senses the Cold War did not end in the early 1990s but rather in the late 1970s, when Deng Xiaoping launched the “reform and opening-up” project. This is a crucial point for understanding not only why “communist” China survived the end of the Cold War, but also why and how China’s drive for modernity in the post-Cold War era has been of great complexity.

Mao died on September 9, 1976. In less than two years, Deng, who had been purged twice during the Cultural Revolution (which had probably helped him understand the dark side of Mao’s revolution), emerged as China’s paramount leader. Deng’s reform and opening-up project was first of all a de-revolutionization process, launched, on one level, to cope with the profound legitimacy crisis in the post-Mao era. The specific ways in which Deng and the CCP leadership envisioned and carried out the project, however, while easing some of the old legitimacy pressure, created new legitimacy challenges for the Chinese state—while, at the same time, dooming the international communist movement.

Unlike Mao, Deng initiated the reform and opening-up project without a “grand blueprint.” At the core of Deng’s reformist ideas was his pragmatic “cat theory”—“black cat or white cat; so long as it catches mice, it is a good cat.” Deng emphasized that economics must take primacy over politics. Thus Deng and the CCP leadership introduced a series of reform measures in China’s countryside and cities, aiming at modernizing the country’s industry, agriculture, science and technology, and national defense. Internationally, Beijing significantly broadened China’s external connections through such steps as dispatching Chinese students to study abroad, promoting China’s trade with Western countries, welcoming foreign investments, and adopting a more positive approach toward the world market. In the meantime, Beijing gradually reduced and finally stopped supporting foreign communist insurgencies.

From the beginning, however, Deng’s reform and opening-up policies were highly unbalanced in essence: their emphasis was placed on developing the Chinese economy, leaving politics a forbidden zone. Deng had choices. In the

<sup>7</sup> Chen Jian, *Mao’s China and the Cold War* (Chapel Hill, NC: University Press of North Carolina, 2001), chapter 9.

early years of post-Mao China, there existed powerful voices among both ordinary citizens and Party cadres in favor of pursuing a “fifth modernization”—modernization of China’s political system and institutions. Some prominent thinkers in the Party also called for “socialism with a human face.”<sup>8</sup> But Deng was worried that this would result in China embracing Western-style democracy. He called on the whole Party and country to fight against “bourgeoisie liberalization” and adhere to the “four cardinal principles” (i.e. adhering to the socialist road, proletarian dictatorship, the leadership of the CCP, and Marxism-Leninism and Mao Thought).<sup>9</sup> All of this revealed the continuity between Mao’s revolution and Deng’s de-revolution process, setting up the guidelines for the CCP leadership to follow during and after Deng’s times.

Another important area of continuity between Mao and Deng existed in China’s strategies vis-à-vis the two superpowers. The “tacit alliance” between China and the United States that emerged in Mao’s later years continued to develop when Deng became China’s paramount leader. Deng regarded the Soviet Union as more dangerous than the United States, as he believed that the Soviet Union was on the offensive whereas the United States was on the defensive.<sup>10</sup>

But there were also important changes in Deng’s perception of Chinese–American relations. For Mao, Beijing’s new relationship with Washington helped enhance China’s security position while at the same time allowing him to claim that indeed “the Chinese people have stood up,” in spite of the failure of his revolution. For Deng, these considerations of Mao’s remained largely valid. Meanwhile, Deng’s vision of Sino-American relations was closely related to a new approach toward the capitalist-dominated world market. Throughout the Maoist era, the market and the pursuit of profits were treated as values and practices inimical to genuine socialism. By introducing reform and opening-up policies, Deng began to perceive China’s path toward modernity in a very different light: Beijing’s tacit alliance with Washington was highly compatible with Deng’s new vision of looking to the West for ways to modernize China.<sup>11</sup>

In the meantime, China’s confrontation with the Soviet Union continued, especially after the Soviet invasion of Afghanistan in December 1979. Deng

<sup>8</sup> Xiao Donglian, *Lishi de zhuangui* (Turning Point in History, 1976–1981) (Hong Kong: Chinese University Press, 2008), 449–57.

<sup>9</sup> *Deng Xiaoping xuanji* (Selected Works of Deng Xiaoping) (Beijing: Renmin, 1983), 2: 144–70.

<sup>10</sup> *Deng Xiaoping xuanji*, 2: 74.

<sup>11</sup> Reportedly, when Deng was on his way to visit the United States in January 1979, he said that all the Third World countries on the side of the United States had been successful in their modernization drive, whereas all of those against the United States had not been successful. He said that China should be on the side of the United States. (Interview with a senior Chinese Party historian, August 2008.)

asserted that the Soviet invasion, as “an important step toward pursuing worldwide hegemony,” imposed serious threats to world peace and security. He announced that the Soviet invasion of Afghanistan had created a new barrier for Beijing to improve relations with Moscow.<sup>12</sup>

China’s other enemy was Vietnam. Beijing’s relations with Hanoi deteriorated rapidly after the Vietnamese communists unified the whole country in 1975. Vietnam’s invasion of Cambodia in December 1978 further damaged Chinese–Vietnamese relations. Beijing’s leaders believed that Hanoi served as an agent of Soviet expansionism in the region neighboring China. In February 1979, Chinese troops invaded Vietnam to “teach the Vietnamese a lesson.” Throughout the 1980s, the borders between the two countries were turned into a front of protracted warfare.

In retrospect, the years 1982–3 represented a turning point in China’s external relations. The difficulties that Beijing encountered with the Ronald Reagan administration made Deng and his fellow Chinese leaders rethink how best to define the scope of Sino-American relations. Meanwhile, Soviet leader Leonid Brezhnev openly stated that Moscow was willing to improve relations with China. Beijing announced in September 1982 that Chinese foreign policy would accord the principle of “independence and self-determination”—that is, keep a distance from both superpowers.<sup>13</sup>

Yet no substantial improvement occurred in Sino-Soviet relations. The main barriers were the Soviet invasion of Afghanistan and, more importantly, the Vietnamese presence in Cambodia. Underpinning Beijing’s attitudes toward Vietnam were both international and domestic considerations. Deng’s decision to “teach Vietnam a lesson” provided him with a valuable opportunity to consolidate his military and political power. The prolonged confrontation with Vietnam created a sustained source—one that appealed to the Chinese people’s patriotism—of domestic mobilization. At a time when the reform policies were creating ever-deepening economic inequality in Chinese society and, as a result, the legitimacy of the Chinese communist state was seriously called into question, the confrontation with Vietnam, and Beijing’s representation of it to the Chinese people, served to retain the support of ordinary Chinese for the state.

The uneven development of the reform and opening-up process finally brought China’s state and society to the verge of a serious crisis. In March 1989, Lhasa, the capital of the Tibetan Autonomous Region, was placed under martial law. On April 15, Hu Yaobang, the reform-minded Party leader who had been ousted three years earlier, suddenly passed away. Students in Beijing

<sup>12</sup> Leng Rong et al., *Deng Xiaoping nianpu, 1975–1997* (A Chronological Record of Deng Xiaoping, 1975–1997) (Beijing: Zhongyang wenxian, 2004), 1: 589.

<sup>13</sup> *Renmin ribao*, September 2, 1982.

quickly turned the mourning of Hu into a public expression of their frustration and anger over widespread corruption and lack of political reform. From the beginning, Deng was determined not to make any concession, and China's official media accused the students of provoking "social turmoil."<sup>14</sup> When the students responded with more protests and, beginning on May 13, a collective hunger strike at Tiananmen Square, the government placed Beijing under martial law. The students defied the authorities angrily, leading to a stand-off at Tiananmen Square. Deng and other Party elders decided to use troops to crack down on them. On June 3–4, People's Liberation Army (PLA) soldiers fought their way into the Square, ending the protest in bloodshed.

The Tiananmen tragedy stunned the entire world. In a sense, it also triggered the chain of historic events that made 1989 a landmark year in world history. In November, the Berlin Wall was destroyed. In two short years the Soviet Union and the Soviet bloc in Eastern Europe collapsed. In turn, the global Cold War came to its conclusion.

The Chinese communist state survived the Tiananmen tragedy of 1989 and the end of the Cold War. One main reason was that China had already virtually left the Cold War in the late 1970s. Another reason lay in Deng's management of the crisis situation associated with the collapse of the Soviet Union. In the wake of Tiananmen, Deng put forward what would later be called his "24-character statement," defining how China should view itself and its role and position in the post-Cold War world:

Observe carefully; secure our position; cope with affairs calmly; hide our capacity and bide our time; be good at maintaining a low profile; and never claim leadership.<sup>15</sup>

At the time that Deng made the statement, he also resigned all of his official positions (although he would remain as the central person in Beijing's decision-making circle until the mid-1990s). So the statement could also be read as his political testament, which demonstrated that Deng sensed the ever-deepening legitimacy challenge that the Chinese communist state was facing. He thus recognized that China's rise would be a difficult and prolonged process, and that China should not strive for a global leadership role—certainly not in the foreseeable future. A guideline of utmost importance thus was set up for China's international relations in the next two decades.

<sup>14</sup> Leng et al., *Deng Xiaoping nianpu*, 1273–4.

<sup>15</sup> There are different translations of the 24-character statement. The translation used here is cited from Henry Kissinger, *On China* (New York: Penguin, 2011), 438.

## The Jiang Zemin era: more than transitional

In late May 1989, Jiang Zemin, then Party secretary in Shanghai, was chosen by Deng and other Party elders as CCP general secretary. Few at that time could have expected that he would become more than a transitional figure. After all, two of Jiang's predecessors, Hu Yaobang and Zhao Ziyang, had been promoted to the position and then lost it in disgrace in a few short years.

But why was Jiang chosen? Among the possible candidates after Zhao Ziyang's downfall, Jiang was by no means a front-runner. A more likely choice should have been Li Peng, China's premier, who had been known as a hard-liner largely due to his hostile attitude toward the Tiananmen pro-democracy movement. Given China's political atmosphere in the wake of the Tiananmen suppression, Li seemed a logical choice as the new general secretary.

Yet Deng managed to persuade other Party elders to pick Jiang. As it turned out, this was an indication of Deng's dual considerations: he did not want to give up the reform and opening-up project while, at the same time, continuing to adhere to the "four cardinal principles." Given Li's performance during the Tiananmen crisis, he was unlikely to be a wholehearted supporter of Deng's reformist ideas. By comparison, Jiang was a better choice as he had had the experience of promoting the reform and opening-up project in Shanghai with great success, and he had also stood firm in the face of the "bourgeoisie liberalization" challenge in managing the student protest in late 1986 and also during the 1989 crisis.<sup>16</sup>

In the first two years of his tenure as general secretary, Jiang was extremely cautious. He understood that his position was vulnerable, and he had to maintain a subtle balance between the voices for and against reforms within the Party leadership. His main attention was given to stabilizing China's domestic situation after Tiananmen. So he followed Deng's advice to "do several practical things" that the Chinese people could see for themselves, so that their basic confidence in the government would be restored.<sup>17</sup> Jiang and the CCP leadership took a series of measures to fight against corruption, especially the profiteering behavior prevailing among officials. The Chinese government exerted stricter control over the money supply, quickly placing the high inflation rate under control. In the meantime, the suppression of the leaders of the pro-democracy movement was harsh, but never developed into a Cultural Revolution-style "mass purge."

In Chinese foreign policy, the challenges facing Jiang were also serious and complex. After Tiananmen, almost the whole world, and the West in

<sup>16</sup> Robert Lawrence Kuhn, *The Man Who Changed China: The Life and Legacy of Jiang Zemin* (New York: Crown, 2005), chapters 7–8.

<sup>17</sup> *Deng Xiaoping xuanji*, 3: 309–14.

particular, criticized Beijing's violent handling of the crisis and responded with a variety of boycott measures. To help repair the legitimacy of its rule, the CCP leadership highlighted "China versus the West" in its characterization of the Tiananmen tragedy, stressing that if the Party had not adopted "resolute measures" to cope with the "turmoil," China would have been reduced to a "client state" of Western countries.<sup>18</sup> All of this, combined with the great anxiety that built up among Party leaders when they saw the worsening crisis in the Soviet Union, created a political environment detrimental to China returning to the reform and opening-up project.

Deng was deeply worried. As a person who cared about his own position in history, he knew well—as himself a student activist in his youth—that the Tiananmen tragedy had given him a very bad image among the Chinese as well as in the world. The only way to regain his positive image was to regenerate the reform project. He also knew that only by successfully carrying out the project would the Chinese communist state be able to deal with the profound legitimacy challenges that it had been facing.

In early 1991, Deng issued a series of pro-reform statements during a vacation tour in Shanghai. Taking as his target the discourse that treated market-oriented reform as capitalist in essence, Deng contended that "planning economy and market-oriented economy do not mark the difference between capitalism or socialism... Capitalism may include planning economy, and socialism can be compatible with market." Deng urged his colleagues to "think more courageously and creatively."<sup>19</sup> Deng's initiative, however, encountered tough resistance from other Party elders, and Chen Yun in particular.<sup>20</sup> Jiang's attitude was dubious. In a speech for the CCP's seventieth anniversary, Jiang mentioned the necessity of "continuously promoting reforms and opening up"; but he also called for continuing "the struggles against bourgeoisie liberalization."<sup>21</sup>

Yet it seems that Jiang's heart was with Deng's reformist ideas. In March and April, the Shanghai-based *Jiefang Ribao* (Liberation Daily) published three front-page commentaries under the pen name Huangpu Ping, which argued for the need for "taking active actions to promote the reform and opening project."<sup>22</sup> These essays were based on Deng's remarks a few months earlier. As Shanghai was Jiang's sphere of influence, the commentaries would not have been published without his endorsement.

<sup>18</sup> *Deng Xiaoping xuanji*, 3: 311.

<sup>19</sup> Leng et al., *Deng Xiaoping nianpu*, 1307–8.

<sup>20</sup> Reportedly, when Deng was in Shanghai, he proposed a meeting with Chen Yun, but Chen refused.

<sup>21</sup> *Renmin ribao*, July 2, 1991.

<sup>22</sup> *Jiefang ribao* (Liberation Daily), March 2, March 12, and April 12, 1991.

A critical turning point for Jiang and the CCP leadership came during and after the failure of the August 19, 1991 coup in the Soviet Union. When the coup occurred, the initial responses by many leaders in Beijing, and Jiang probably included, were of sympathy and hope. At a Politburo meeting on the evening of August 19, some CCP leaders speculated that the coup “is a good thing for China,” as “when the West puts more pressures on the Soviet Union, the pressures on us will be reduced.”<sup>23</sup>

Deng, who had been predicting that “major unrest in the Soviet Union is inevitable,” intervened at that moment. Late on the evening of August 19, he asked his secretary to convey to Jiang and others that “the event in the Soviet Union today is an urgent matter and an unusual development.” He advised Jiang not to take action hurriedly before “carefully observing and studying the situation.”<sup>24</sup> The next day, Deng summoned Jiang and several other Party leaders to discuss the situation in Moscow. He pointed out that China now enjoyed a stable situation for two reasons: one was that the CCP leadership adopted a firm attitude in managing the turmoil of 1989, and the other was that the CCP did not abandon the banner of continuing the reform project after 1989.<sup>25</sup> On August 22, at his eighty-seventh birthday banquet, Deng again advised Jiang and his colleagues that the Party should act cautiously toward the coup. He emphasized that China should “take economic development as the central mission.”<sup>26</sup> Apparently, Deng was trying to turn the impact of the coup into new momentum for regenerating the reform and opening-up project.

The coup failed, but its impact on Jiang and his colleagues was significant. Deng’s pro-reform opinions began to take the upper hand. The first public sign of the change appeared in early September 1991, when *Renmin Ribao* (People’s Daily) published a commentary stating that “we should never allow reforms to go along the bourgeois liberalization or capitalist line”; the Xinhua News Agency followed Jiang’s order to recall it and publish a different version, in which the above reference was deleted.<sup>27</sup> This was an indication that the momentum for reforms was gathering again.

Then Deng made another southern tour in early 1992. During this tour he delivered a series of statements emphasizing that reforms should be carried out in deeper ways. He again contended that “market is only a means of economic development, and it is not necessarily in conflict with socialism.” The essence of socialism, stressed Deng, should be “the development of

<sup>23</sup> Yang Jisheng, *Zhongguo gaige niandai de zhengzhi douzheng* (Political Struggles in China’s Reform Era) (Hong Kong: Zhuoyue wenhua, 2004), 483.

<sup>24</sup> Leng et al., *Deng Xiaoping nianpu*, 1330.

<sup>25</sup> Leng et al., *Deng Xiaoping nianpu*, 1330–1.

<sup>26</sup> Yang, *Zhongguo gaige niandai*, 485–6.

<sup>27</sup> Yang, *Zhongguo gaige niandai*, 480–1.



productivity.”<sup>28</sup> This time, Chen Yun, the most important dissenter among the influential Party elders, decided to remain silent, and Jiang was now determined to fully endorse Deng’s “accelerating and deepening reforms” initiative. On February 28, 1992, the CCP leadership formally issued its No. 2 Document of 1992, in which the main points of Deng’s talks were relayed to all Party members.<sup>29</sup> In September 1992, the CCP’s fourteenth congress formally adopted building a “socialist market economy” as the goal of China’s regenerated reform and opening-up project.

This development also consolidated Jiang’s position as China’s top leader. From 1992 to 2004, when Jiang finally resigned from his last official post, with 1998 as the turning point, Jiang’s reign can be divided into two periods.

In the first period, during which Jiang enhanced his leadership role, Jiang and the CCP leadership’s main attention was domestic-oriented, concentrating on turning the reform programs into the vehicles that would significantly promote China’s economic growth. In the 1980s, China had maintained an annual growth rate nearing or surpassing two percentage digits. The crisis of 1989 and its consequences caused stagnation in China’s economic development in 1990–1. For Jiang and his fellow CCP leaders, this was a trend that had to be turned around. In addition to its significance for the Chinese economy and society, this was also a critical legitimacy challenge for Jiang and his colleagues. They knew well that if they could not bring higher economic growth rates back to China, the foundation of the PRC’s legitimacy narrative—epitomized in Mao’s “we the Chinese people have stood up” statement—would be seriously jeopardized. Emerging here was a consciousness on the part of the CCP leaders of the utmost importance of building a “performance-based legitimacy” for the Chinese “communist” state.

Deng’s southern trip and the Party’s formal endorsement of the “socialist market economy” concept had brought the reformist momentum back to China. Yet, it soon became clear that China’s existing system on financial resource disposition and taxes, which had been adopted in the early reform years, was causing disorder and tension between the central and local governments, thus blocking faster and more sustainable economic growth. Against this background, Zhu Rongji, then China’s vice premier, initiated a far-reaching tax-sharing reform in 1994. By categorizing tax revenues into central, regional, and central/regional shared taxes, the reform put a larger share of taxes into the central government, while at the same time making the local share of tax revenues more transparent and accountable. The reform greatly enhanced the central government’s financial capacity, thus upgrading its

<sup>28</sup> *Deng Xiaoping xuanji*, 3: 358–70.

<sup>29</sup> Leng et al., *Deng Xiaoping nianpu*, 1341.

ability to cope with various national and international challenges.<sup>30</sup> Throughout the rest of the 1990s and in the first years of the twenty-first century, the new system seemed to have played a good role in serving China's continuous economic development.

In China's international affairs, Jiang followed Deng's advice to "maintain a low profile." Given that the United States had emerged as the sole superpower in the post-Cold War era, Jiang and the Chinese leadership defined China's relations with the United States as "the most important subject" in China's external policies.<sup>31</sup> Jiang repeatedly reminded his colleagues that if Beijing was able to maintain a good relationship with Washington, China would enjoy a much better international environment overall. Thus, in spite of Washington's sharp criticism of Beijing on such issues as human rights violations and dubious arms sale records, Beijing managed not to get into a confrontation with the US. Instead, Beijing made a series of efforts to demonstrate that China was continuously changing into an "insider" of the American and Western capitalist-dominated international system. In this context, Beijing began actively striving for China's membership of the World Trade Organization (WTO). This was also Beijing's "statement by action" that China was willing to accept international norms and regulations.

A major foreign policy challenge for Jiang and the Chinese leadership came in 1995, when the US government unexpectedly granted Taiwan president Lee Tenghui a visa to visit the United States to deliver a speech at his doctoral alma mater, Cornell University. Immediately, Sino-American relations were in a serious crisis. Instead of quietly "swallowing the bitter pill," Jiang and his fellow Beijing leaders decided to make tough responses, which they had not done toward Washington since 1989. Beginning in July 1995, Beijing conducted several rounds of missile tests and military exercises to demonstrate its determination to "safeguard Chinese sovereignty and territorial integrity." In March 1996, on the eve of Taiwan's presidential election, Beijing staged armed missile tests aimed at areas off two of Taiwan's main seaports.<sup>32</sup> Washington responded by dispatching two aircraft carrier battle groups to the Taiwan Strait.<sup>33</sup> All of this caused the most serious crisis in US-China relations in the 1990s.

In retrospect, Jiang made the decision, probably the most risky one in his whole tenure as China's top leader, out of his understanding that there were deep and widespread shared interests between China and the United States, and that it was unlikely that Washington would risk a military confrontation

<sup>30</sup> Xiang Huaicheng, "Tax Division System Reform: Retrospect and Prospect," *Wuhan daxue xuebao* (Journal of Wuhan University), 57:1 (January 2004), 5-11.

<sup>31</sup> *Jiang Zemin wenxuan* (Selected Works of Jiang Zemin) (Beijing: Renmin, 2006), 2: 312-13.

<sup>32</sup> *Renmin ribao*, March 7, 1996.

<sup>33</sup> United States Information Agency, *Bulletin*, March 12, 1996.

with China to defend Taiwan. More importantly, underlying Jiang's decision were deep domestic considerations linked to the CCP leadership's legitimacy concerns. For Jiang and his colleagues, the Taiwan case presented a serious challenge to the CCP's legitimacy narrative that "we the Chinese people have stood up," and that the CCP was always ready and able to defend China's sovereignty and national integrity.

Jiang seemed to have won this "gamble." In the wake of the 1995–6 Taiwan Strait crisis, the Clinton administration adjusted US policies toward Taiwan, as well as toward China. When Clinton visited China in June 1998, he announced that Washington did not support Taiwan's independence, did not support "one China, one Taiwan" or "two Chinas," and did not support Taiwan's membership of any international bodies whose members are sovereign states.<sup>34</sup> Clinton also changed America's official definition of the US–China relationship by calling it a "constructive strategic partnership."

Clinton made these statements also in the wake of Beijing's "cooperative and responsible responses" to Asia's severe financial crisis in 1997. For policy-makers in Washington, these were signs of China's continuous rise, not only in its economic strength and political influence, but also in its willingness to become a more responsible and rules-abiding member of the international community. For Jiang, this further enhanced his authority and power. With Deng's passing away in February 1997, Jiang now felt that he was in a more powerful position to make history as China's top leader.

In 1998, the CCP held its fifteenth congress. Jiang was re-elected as the Party's general secretary. Zhu Rongji, who had won a reputation as the most reform-minded among all the CCP leaders, replaced Li Peng to assume the premiership. The establishment of the Jiang–Zhu regime, in retrospect, probably made the year 1998 an important potential turning point for China.

Jiang is a person who cares about his own position in history. When he began what I identify as the second period of his leadership tenure in 1998, there was evidence that he was thinking about "making history" by dealing with some "very big issues" related to the legitimacy challenges that the CCP regime had been facing. His thinking, it seemed, concentrated on two matters—Taiwan and China's political reform—both of which had close connections with the PRC's legitimacy narrative.

On Taiwan, Jiang's experience in dealing with the 1995–6 crisis seemed to have convinced him that Beijing was in a position to pursue an early solution to the island's separation from the "motherland." This thought must have been greatly enhanced when Jiang attended the ceremony of the PRC restoring its sovereignty over Hong Kong. In June 1998, Jiang told President Clinton

<sup>34</sup> *New York Times*, July 1, 1998, A12.

that “the settlement of the Taiwan question should be pursued with a timetable.”<sup>35</sup>

There are also signs that, in 1998, Jiang was considering reforming China’s political system and institutions. That year, a book entitled *Zhengzhi zhongguo* (Political China) was published. The book’s main theme was the necessity and possibility of carrying out “genuine political reforms” in China. What was interesting and revealing was that among the contributors to the volume were the famous dissident intellectual Liu Junning (a researcher at the Chinese Academy of Social Science, who later lost his job because of his dissident ideas) and Jiang’s chief ideology adviser Wang Huning (who later became a member of the CCP Central Secretariat).<sup>36</sup>

Indeed, the year 1998 witnessed one of China’s most active periods of critical intellectual exchange in the post-1989 period. Even many of the political dissidents began to take action. Starting in June, dissidents in a dozen provinces and municipalities organized various branches of a new “Chinese Democratic Party,” and submitted registration requests to the Chinese government. Surprisingly, the government neither responded to the requests nor took any suppression action. Not until six months later did the government begin to arrest the dissidents and sentence them to long imprisonment. Why did the Chinese government fail to take action for such a long time? An answer probably will need to wait until the declassification of China’s official documents.

The trend, however, changed in 1999. Four domestic and international events, albeit unrelated originally, combined together to create an environment in which it became impossible for Jiang to exercise any of his “big ideas.” In April, Zhu Rongji visited the United States, taking with him an “excellent package” for winning US support for China’s WTO membership drive. Out of domestic political considerations (mainly worrying about responses from the labor unions), President Clinton turned Zhu down. In May, NATO planes mistakenly bombarded the PRC embassy in Belgrade, leading to the outbreak of the worst anti-American protests in China in recent history. In July, Jiang and the CCP leadership made the decision to suppress Falungong, a cult organization that, Jiang and his colleagues believed, was presenting serious threats to the state and society. Finally, also in July, Taiwan’s president, Lee Tenghui, made a highly publicized statement calling the relationship between Taiwan and the mainland a “special one between two countries.”

These events mobilized the hardliners in the CCP elite, effectively blocking any possibility for Jiang to move toward a more flexible political stand. Early

<sup>35</sup> *Jiang Zemin wenxuan*, 2: 154.

<sup>36</sup> Dong Yuyu and Shi Binghai (eds.), *Zhengzhi zhongguo* (Political China) (Beijing: Jinri zhongguo, 1998).

in 2001, when George W. Bush assumed the US presidency, even China's relations with the United States, the area which Jiang had had reason to feel proud of, suffered a serious setback. Abandoning Clinton's notion of "constructive strategic partnership" between China and the United States, Bush named the two countries "strategic competitors." On Taiwan, Bush even claimed on one occasion that the United States would "do whatever it takes to defend Taiwan."<sup>37</sup> In April 2001, a US EP3 spy plane and a Chinese MiG fighter collided over Hainan Island, causing the Chinese plane to crash and the emergency landing of the American plane at Hainan. China-US relations reached a low ebb.

The terrorist attacks of September 11, 2001 changed the larger environment for Sino-American relations again. Jiang was among the first group of world leaders to call Bush, providing China's support to the war on terror. In Jiang's assessment of the impact of 9/11 on China, however, he did not see it as a new turning point toward renewed Sino-American "constructive strategic partnership." Rather, he believed that America's need to concentrate on dealing with the serious and lingering threats of terrorism provided China with a "twenty-year period of strategic opportunities," during which China might concentrate on further developing itself.<sup>38</sup>

At this time Jiang was approaching the end of his term as China's top leader, and he had made a last effort to define his own position in history by introducing the "Three Represents" thesis in February 2000. He stated that the CCP, instead of a party of the proletarians, was one that "represents the development trend of China's advanced productive forces, represents the orientation of China's advanced culture, and represents the fundamental interests of the overwhelming majority of the Chinese people."<sup>39</sup>

Clearly this was a statement made for dealing with the lingering legitimacy challenges facing the CCP. Yet it did not gain the influence that Jiang had hoped. Although Jiang used his power to order Party cadres throughout the country to attend study sessions on the "Three Represents" thesis, this quickly turned into no more than ritual procedures. Millions and millions of everyday Chinese people paid little attention to it, which, by itself, was an indication of the legitimacy crisis entangling China.

Jiang's term as CCP general secretary ended in 2002. Yet he chose not to fully retire. When Hu Jintao, who had for a decade been designated as the CCP's next leader, took over the post of general secretary, Jiang stayed as chairman of the Central Military Commission. Some of Jiang's associates contended that his experience would help Hu and the Party, and that he

<sup>37</sup> *New York Times*, April 26, 2001, A1.

<sup>38</sup> *Jiang Zemin wenxuan*, 3: 542-3.

<sup>39</sup> *Jiang Zemin wenxuan*, 3: 2.

still had unfinished tasks to fulfill. But Jiang actually should have felt quite satisfied with his own accomplishments. In the years that he served as CCP general secretary, China not only survived the Tiananmen tragedy of 1989 and the end of the global Cold War, but also registered an impressive record of economic growth.<sup>40</sup> To be sure, he was unable to solve the legitimacy crisis facing the Party and the state. But was he the person to blame?

## Hu Jintao's reign: opportunities taken and lost

When Hu Jintao became China's top leader, the country's rapid economic growth had lasted for over a quarter century. Fifteen years after the Tiananmen tragedy, it seemed that the majority of the Chinese population was gradually forgetting it. In the post-9/11 world, China gained more space in international affairs, and even President Bush, who once named China America's "strategic competitor," accepted China as a fellow "stakeholder." It seems that Hu occupied a better position than Jiang to deal with the challenges that China was facing.

But Hu had deep worries. He is the first Chinese leader from the post-revolution generation. During the process of climbing to the peak of China's party and state power, he left his superiors and colleagues with the impression of a capable person, though with few of his own "big ideas." After he was designated as China's next top leader in the early 1990s, his primary concern seemed to have been avoiding any mistakes. An error-free record in those years was the best guarantor for him to assume China's leadership role.

Yet Hu seemed to have his own views about China's problems. A quarter century after the launch of the reform and opening-up project and, especially, a decade after Deng regenerated it, not only had the Chinese economy been rapidly growing but also Chinese society had become more dynamic, diverse, and difficult to control. For Hu, who had been the person in charge of the Central Secretariat's routine working meetings for almost a decade, one of his big headaches had been that increasing numbers of "incidents of unrest" throughout China had often been top of the meetings' agendas. He probably would not feel that Chinese society was approaching a major crisis, certainly not in the near future. Still, he could see that under the surface of China's booming economy and prosperous society were hidden dangers.

Now, as China's top leader, Hu needed to make choices, including how to deal with Deng's and Jiang's legacies. Like other CCP leaders, Hu never failed

<sup>40</sup> According to the figures issued by China's State Statistics Bureau, China's average annual GDP growth rate from 1989–2004 was 9.7 per cent. See <<http://www.stats.gov.cn/tjsj/ndsj/2010/indexch.htm>>.

to state that he enthusiastically embraced Deng's theory and Jiang's "Three Represents" thesis. After becoming general secretary, Hu took the initiative to revise the Party's constitution, making Jiang's "Three Represents" part of its text. But this does not necessarily mean that he genuinely embraced Deng's and Jiang's ideas.

Unlike Deng, who never brought about a "theory" associated with his name,<sup>41</sup> or Jiang, who did not introduce a theory of his own until the very last stage of his leadership career, Hu composed his own brand-name "grand theory" shortly after he became CCP general secretary. In a series of speeches in 2003, he presented his "scientific development concept." Its polished version, which the CCP leadership adopted in October 2003, reads as follows. In pursuing China's further development, it is essential to "take the people as the fundamental concern, establish the concept of comprehensive, coordinated, sustainable development, and promote comprehensive economic, social and human development."<sup>42</sup>

After 2004, when Hu fully took over China's top leadership role, he substantiated the "scientific development concept" with two grand designs: domestically, he put forward the ideas of "building harmonious society"; internationally, he introduced the notion of "China's peaceful rise."

Hu identified the "harmonious society" as one that "will give full scope to people's talent and creativity, enable all the people to share the social wealth brought by reform and development, and forge an ever closer relationship between the people and government." Hu emphasized that the new strategy "will result in China's lasting stability and unity."<sup>43</sup> So it is apparent that Hu's "harmonious society" ideas represented his response to the legitimacy challenge facing the Chinese state. Also, although he never made these ideas in any way conflict with Jiang's "Three Represents" thesis, he had virtually changed the focus of Jiang's thesis (also, in a sense, Deng's thesis) on promoting all-out economic growth, placing solving worsening social tensions at the top of his agenda.

By itself, this shifting emphasis in China's development strategy was not wrong. But the question is, what policies and measures should be taken to cope with tensions accumulated in Chinese society? It soon turned out that Hu's answer was to enhance state intervention in and control over society. In one of his internal speeches, Hu stated that although Cuba and North Korea had not done well in pursuing economic development, they were correct in

<sup>41</sup> The term "Deng Xiaoping Theory" was never used by Deng himself; it was imposed on him and by his fellow CCP leaders and successors.

<sup>42</sup> *Renmin ribao*, October 14, 2003.

<sup>43</sup> *Renmin ribao*, June 27, 2005.

the political and ideological areas, which China should learn from.<sup>44</sup> Not surprisingly, the CCP leadership put “maintaining stability and social order” as the absolute priority goal of its domestic policies. In the hope of “eliminating any element of instability in its first appearance,” the state set up increasingly more restrictive, or even suppressive, terms on public expression.

Hu’s “China’s peaceful rise” notion both followed Deng’s “maintaining a low profile” advice and also attempted to surpass it. The notion actually was not Hu’s invention; it was introduced by Zheng Bijian, a high-ranking official who had also been regarded as one of China’s leading thinkers on strategic and ideological issues. When Zheng first introduced the term in the late 1990s, he put the emphasis of his argument on “peaceful,” taking this as a way to cope with the “China threat” notion in the West that, in Zheng’s view, demonized China’s “rise.”<sup>45</sup> When Hu took over Zheng’s term and made it his own notion, he shifted the focus from “peaceful” to “rise”—he emphasized that China’s rise was inevitable, and that the challenge was how to make sure that it would be peaceful. Such a shift not only made other actors in the world share the responsibility of making China’s rise peaceful, but also sent a message to the Chinese people that China’s rise was already an established fact.

In 2008, Beijing successfully hosted the Olympic Games. In 2009, the People’s Republic celebrated its sixtieth anniversary. The next year, the World Expo was held in Shanghai and became another great showcase of China’s influence and achievements. Hu and the CCP leadership endeavored to take full advantage of these events to mobilize the Chinese people’s patriotism, thus generating support for the legitimacy of the Chinese state.

The year 2008 also witnessed the eruption of the global financial crisis. This was for Hu and his fellow Chinese leaders a serious challenge and, potentially, an opportunity. To deal with the crisis, the Chinese government quickly introduced a comprehensive and aggressive stimulus program of four trillion Renminbi, the working of which made China seemingly the most successful country among all the major powers in coping with the impact of the crisis and the recession that followed. In 2009–10, China kept a gross domestic product (GDP) growth rate of close to 10 per cent.

Against this background, an important and ongoing debate began in 2009 among China’s policymakers, military planners, and academic elite concerning whether or not China should continue to take Deng’s 24-character advice—especially “maintaining a low profile”—as the fundamental guideline

<sup>44</sup> The speech has never been formally published. The description here is based on my interviews with several Chinese Party officials who had attended inner-Party meetings at which the speech was relayed.

<sup>45</sup> See, for example, Zheng Bijian, “China’s ‘Peaceful Rise’ to Great-Power Status,” *Foreign Affairs* (September/October 2005), 18–24.



in managing world affairs. In 2009–10, Chinese foreign policy appeared more assertive than before toward such issues as the disputes over the South China Sea.

However, China's stimulus package, while working at keeping China's economic growth, failed to transform its expert-oriented structure. It also led to the advance of the state sector of the economy at the cost of the retreat of the private sector. Furthermore, beneath China's new appearance of strength remain deep-rooted accumulated tensions.

Ironically, in March 2008, a few months before the Beijing Olympics, the worst protests and riots since 1989, involving a large number of Buddhist monks, occurred in Tibet. The Olympic torch relay was then turned into protests against China's human rights record in different parts of the world. In July 2009, a series of violent riots erupted in Xinjiang, leading to widespread ethnic conflicts between the Uyghur and Han populations there. Throughout China, the number of incidents of "mass unrest," often caused by popular anger over rampant corruption and deteriorating economic disparities, repeatedly broke previous records. Even under the government's tight censorship, cases of mining disasters, public health crises, and environmental destruction are from time to time reported in the media. Behind China's continuous economic growth, indeed, tensions within Chinese society and between Chinese society and the state actually were mounting and worsening.

In December 2008, on the sixtieth anniversary of the Universal Declaration of Human Rights, more than 350 prominent Chinese intellectuals and human rights activists signed the "Chapter 08," a document calling for legal reforms, democracy, and protection of free expression and human rights in China.<sup>46</sup> Liu Xiaobo was one of the main authors and organizers of the Charter. Beijing's leaders decided to arrest him and, as described in the opening paragraph of the chapter, sentence him to eleven years' imprisonment. This was "killing a chicken to scare the monkeys," a strategy that had long been used by Chinese rulers during imperial times to suppress dissident voices and actions.

Hu is now approaching the end of his tenure as China's top leader. During his time, China's growth has continued, even when the whole world has been in recession, and this is no small achievement. With an understanding of China's own problems, Hu and his fellow Chinese leaders have also decided that China should continue to follow Deng's "maintaining a low profile" strategy in foreign affairs. Yet, Hu's "harmonious society" thesis has not brought about a more harmonious China, and the overwhelming emphasis the thesis places on "maintaining stability and social order" has seriously restricted the space of public expression, to the extent of strangling the critical

<sup>46</sup> For the English text of Charter 08, see <<http://www.hrichina.org/content/238>> (accessed September 2011).

capacity of Chinese intellectuals. What does this mean for China's future development? Only history will tell.

## China at the crossroads

Three decades after the launch of the reform and opening-up project, China is now at a crossroads. China's economic growth is extraordinary and real, yet China's rise has its own dilemmas and hurdles, raising such basic questions as whether it is sustainable and where it will lead to.

In the past three decades, the Chinese "communist" state has taken full advantage of China's rapid economic growth, linking it with Mao's "we the Chinese people have stood up" rhetoric and changing it into a key justification of the PRC's legitimacy narrative. However, the "legitimacy" so defined is no more than a "performance-based" one, and has to count on China's rapid economic growth lasting forever.

Furthermore, China's phenomenal economic expansion has been accompanied by profound and continuous transformation in Chinese society, releasing new and powerful social forces the country has never seen in its age-old history. The convergence of a reduced economic growth rate and increasing social and political diversity will inevitably challenge the CCP's one-party reign structure. In the meantime, the legacy of China's age of revolutions has been reflected in the breakdown of the moral norms of Chinese society, a phenomenon that has deepened as a result of the rampant materialism in the reform and opening-up era.

Indeed, the challenges facing China concern how to define the essence of "The People's Republic of China" (including both "People's Republic" and "China"), and how to reconstruct its legitimacy narrative. Responses to the challenges will comprise many dimensions, yet two of them seem to be of fundamental importance. First, envisioning and pursuing reforms that aim at not only maintaining and enhancing the functioning and capacity of the state, but also introducing a structure characterized by power checking and balancing; second, building or rebuilding the moral foundation of China's society in its ongoing pursuit of modernity and postmodernity, so that its continuous rise will satisfy not only the people's improved material needs but also their search for meanings of life.

An awareness of such profound challenges facing China has caused a sustained sense of legitimacy crisis on the part of its leaders. Yet they have concentrated their efforts on suppressing "elements of instability." Rather than coming up with basic solutions to the challenges, this makes China's problems more accumulative, creating an increasingly dangerous scenario in

which a profound general crisis involving China's economy, politics, and society may eventually break out.

All of this not only reflects the uncertainty of the course of China's continuous changes, but also increases the difficulty of predicting China's role in Asia and the whole world in the coming decades. It is beyond this chapter's capacity to provide comprehensive "prescriptions." But, as the experience of early Chinese civilization has taught us, the logical first step should be to "let a hundred flowers blossom and allow a hundred schools to compete with each other." After all, true wisdom arises from genuine political and intellectual pluralism.

# 14

## After the West? Toward a New International System?

*Michael Cox*

### Introduction

There is no longer any question: wealth and power are moving from the North and the West to the East and the South, and the old order dominated by the United States and Europe is giving way to one increasingly shared with non-Western rising states. But if the great wheel of power is turning, what kind of global political order will emerge in the aftermath? G. John Ikenberry, *Foreign Affairs* (May/June 2011), 56.

Ten years after the end of the Cold War, the United States and its main Western allies in Europe could look back on the last decade of the twentieth century with a rare degree of satisfaction. Their core values seemed to have triumphed and then spread around the world; they continued to dominate or play host to the most successful and influential international organizations; together, they still dominated the global economy; and it was they, rather than any other actors, to whom the world turned if they were looking for answers. The United States in particular seemed to be in an especially enviable position. Some no doubt wondered whether the “unipolar moment” could last for ever. One or two analysts even speculated about the possible limits of its power. And the occasional maverick still repeated the old Paul Kennedy line that the United States was in decline.<sup>1</sup> But few but the most pessimistic envisaged that any other peer rival would likely rise to balance its vast power in the future. Indeed, after having seen off the Union of Soviet Socialist Republics (USSR), and then having witnessed the financial implosion of

<sup>1</sup> Donald W. White, *The American Century: The Rise and Decline of the United States as a World Power* (New Haven: Yale University Press, 1999).

Japan, followed by an eight-year economic boom of its own, America and Americans could reasonably look forward to yet another American century.<sup>2</sup>

Ten years later and this apparently durable and enduring order had seemingly changed beyond recognition. This had something to do with 9/11, but not much: a little to do with the Middle East, but not a great deal; and nothing at all to do with any great catastrophe like a major war. Rather it had occurred because of what many regarded as a basic shift in the underlying tectonics of world order. The causes of this were much debated. But there was no doubting the outcome: the world order that had come into being as a result of the end of the Cold War was fast giving way to a new one that was becoming less Western in character, less likely to be shaped by the United States, and increasingly revolving around Asia rather than the Atlantic. In the simplest headline terms, this change was the result of three interconnected developments.

The first had to do with China. Having abandoned Maoism—an ideology that had weakened rather than enhanced Chinese power—this sleeping giant had at last been aroused from its slumbers. And after a relatively uneventful decade following Tiananmen Square (in 1999 one expert could still ask whether China really mattered),<sup>3</sup> it experienced one of the great revolutionary decades of all time, one that catapulted it to becoming economic number three by 2008, number two by 2011, and would at some point in the not-too-distant future bring it the greatest economic prize of all: top position, ahead of the United States in the world's economic league table.<sup>4</sup>

The second big transformation was connected to the first. This pointed to a much larger geographic economic shift—one that was moving the epicentre of the world economic system away from what might be loosely termed the “West” (comprising here North America and Europe) to something either referred to more generically as the new emerging economies or narrowed down in some discussions to only include something termed the “East” (comprising here the various states from India through Southeast Asia to China).<sup>5</sup>

<sup>2</sup> I explore all this in my “Whatever Happened to American Decline? International Relations and the New United States Hegemony,” *New Political Economy*, 6:3 (2001), 311–40.

<sup>3</sup> Gerald Segal, “Does China Matter?” *Foreign Affairs* (September/October 1999).

<sup>4</sup> “How will it feel,” asked leading British journalist, Gideon Rachman, “when China becomes the world's largest economy? We may find out quite soon. A few weeks ago, the International Monetary Fund issued a report that suggested China would be number one within five years.” See his “When China Becomes number one,” *Financial Times*, June 7, 2011.

<sup>5</sup> Danny Quah has summed up this view most succinctly. He has argued that “as late as 1980, North America and Western Europe produced more than two thirds of this planet's income. Not unexpectedly then, the world economic center of gravity 30 years ago was a point deep in the middle of the Atlantic Ocean, 900 miles west of Morocco. By 2008, however, because of the continuing rise of India, China and the rest of East Asia, that center of gravity had shifted to a point just outside Izmir, Turkey, east of Helsinki and Bucharest—a drift of 3000 miles, or about three quarters of the Earth's radius. My projection has it that this move east will continue until

Finally, all this had to be set alongside another equally important development impacting more directly on the United States itself. In part this was the price America was being forced to pay for Bush's adventurist foreign policy; in part the result of the economic crisis; and in part the inevitable consequence of evolutionary change in the international system itself that was leading to an erosion in the influence of even this very special great power. Whatever the reason, the result was just the same: an America that could no longer afford the costs of being number one or get others to follow its lead.<sup>6</sup> The empire, at long last, was running out of steam.<sup>7</sup>

Of course, not everybody subscribed to each and every part of this complex narrative; and even when they did, they articulated it in sometimes more, sometimes less, subtle ways. Still, overall, there were very few experts by the end of the "noughties" who did not adhere in part, or in full, to the view that the international system had changed beyond recognition between the turn of the millennium and the second decade of the twenty-first century. That old "declinist," Paul Kennedy, was certainly one.<sup>8</sup> Economic power, he believed, was now shifting, and shifting fast, from the West to the East. Asia's time had come.<sup>9</sup> Another historian, Niall Ferguson, agreed. Indeed, only a few years after having called upon the United States to behave like the empire it most obviously was, he was now talking in the most pessimistic terms about it going the way of all other empires in the past. Its moment had passed; others like

2050 when the world economic center of gravity will cluster on the border between India and China, 400 miles east of Katmandu." See his analysis in *CNN World*, April 2011.

<sup>6</sup> Michael Cox, "Is the United States in Decline—Again?" *International Affairs*, 83:4 (2007), 643–53.

<sup>7</sup> "The illusion of American hyperpissance" according to Niall Ferguson "was shattered not once but twice in the past decade. Nemesis came first in the backstreets of Sadr City and the valleys of Helmand, which revealed not only the limits of American military might but also, more importantly, the naivety of neoconservative visions of a democratic wave in the greater Middle East. And it struck a second time with the escalation of the subprime crisis of 2007 into the credit crunch of 2008 and finally the 'great recession' of 2009. After the bankruptcy of Lehman Brothers, the sham verities of the 'Washington Consensus' and the 'Great Moderation' were consigned forever to oblivion." See his "China's Century? Niall Ferguson says yes," *The Peking Duck* (January 1, 2010).

<sup>8</sup> Paul Kennedy, "Rise and Fall," *World Today*, 66:8/9 (August/September 2010), 6–9.

<sup>9</sup> Paul Kennedy even invoked Lenin to make his point about the rapid change taking place in the international system. "The beauty about Lenin's approach" he noted "is that he does not get himself embroiled in debates about some cultures and civilisations being superior to others, or Protestantism and capitalism, or relative resistance to disease, or democracy versus autocracy, or any of the other long-winded stuff, to explain the relative rise and decline of particular economies and their influence in the world. He simply points out—as any natural scientist observing a run of data would—that if the record shows one country's productivity and economy growing faster than others, then there will be a steady shift in the balances of power towards it. The antecedent causes are mere intellectualism. It is what is happening that counts. And this it seems to me is the only sensible way we can discuss the most significant political phenomenon of our new century: the relative rise of Asia, perhaps China especially, and its natural concomitant, the relative decline of the west as a whole and more particularly of both of its two greatest components, Europe and the US." Paul Kennedy, "Rise and Fall."

China and its Asian rivals were waiting in the wings to take over.<sup>10</sup> As yet another influential writer put it: everything was pointing toward a major shift of power; it was now time for the West to pass on the baton; a new order beckoned.<sup>11</sup>

There were many rather startling aspects of this new narrative: one was the speed with which it seemed to catch hold; another the failure of the experts to actually predict it. But it was impossible not to be aware that something serious was up when that most esteemed of journals, *Foreign Affairs*, fired a warning shot across Western bows in 2004. No less a person than its editor, James Hoge, wrote tellingly—and from the West’s point of view rather worryingly—of a “global power shift in the making,” which if not handled properly by the West could very easily lead to major conflict.<sup>12</sup> This somewhat alarming view—alarming at least for the West—was then reiterated in different forms by a number of other observers in the years which followed. Fareed Zakaria was one: the United States, he reassured Americans, may not have been in decline. However, the “rest” were clearly beginning to catch up. Consequently the international order was changing, and the sooner the US adjusted to the fact, the better.<sup>13</sup> In the same year, the influential Asian writer Kishore Mahbubani made the case for a power shift even more strongly.<sup>14</sup> China, he insisted, was not just rising, but would soon be on top. Asia too was living through spectacularly successful times. However, there was still resistance to this “irresistible shift” in the old centers of Western power. Indeed, according to Mahbubani, the West still insisted on holding on to the top positions in the major international institutions like the International Monetary Fund (IMF), the World Bank, and the United Nations (UN), when it was clear that this no longer reflected international realities. Sooner or later this would have to change. Meanwhile, potentially disturbing times lay ahead.<sup>15</sup>

How disturbing became only too clear as the dust began to settle following the great American “crash” of 2008. Like most major events, this one was neither anticipated nor even thought possible by the bulk of economists. But within a very short space of time the wider implications of something that had earlier been deemed impossible soon began to be debated in earnest. The conclusion reached was fairly standard across the board: the “rest,” it was

<sup>10</sup> Niall Ferguson, “The decade the world tilted east,” *Financial Times*, December 28, 2009.

<sup>11</sup> Jeffrey Sachs, “America has passed on the baton,” *Financial Times*, September 30, 2009.

<sup>12</sup> James F. Hoge, “A Global Power Shift in the Making: Is the United States Ready?” *Foreign Affairs*, 83:4 (July/August 2004), 2–7.

<sup>13</sup> Fareed Zakaria, *Post-American World* (New York: W. W. Norton, 2008).

<sup>14</sup> Kishore Mahbubani, *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East* (New York: Public Affairs, 2008).

<sup>15</sup> Loren Thompson, “America’s economic decline,” *Armed Forces Journal* (2009) <<http://www.armedforcesjournal.com/2009/03/3922551/>>; John Plender, “Great dangers attend the rise and fall of great powers,” *Financial Times*, 21/22 August 21/22, 2010.

concluded, would be the major beneficiaries of this near meltdown of the financial system; the West meanwhile was bound to suffer. To this extent, the crisis would not just have economic consequences; it would also have major geopolitical consequences.<sup>16</sup> It was also likely to increase China's leverage in relation to the West. China may not have escaped the crisis. No country could. However, unlike the West—but like its near neighbors in Asia, like India—it had managed to bounce back with ease. This was certainly the view of China-watcher Martin Jacques.<sup>17</sup> In a popular (though admittedly much overhyped) book, *China, he predicted, would one day “rule the world,”* forcing or persuading others to dance to its new tune rather than the old one composed in Washington.<sup>18</sup> Others were a little more skeptical. But even they were compelled to admit that the world was in the midst of one of the biggest economic shifts since the dawn of the industrial era, one that was already reshaping Asia and likely to bring about a major change in world affairs that did not necessarily augur well for the West and the United States.<sup>19</sup>

But it was not just China that was on the rise. A number of other major economic power centers were beginning to emerge as well, including among them India, Brazil, and Indonesia. India in particular was beginning to catch everybody's attention. Desperately poor though many of its inhabitants might have been, and less advanced along the economic road than China, by 2010 it had still become an increasingly major player in certain key areas of high technology, steel production, and software engineering. Indonesia, too, was undergoing massive economic change; as indeed were other non-traditional centers of growing economic power such as Brazil, Turkey, and South Africa. Meanwhile in the West it was all doom and gloom—nowhere more so perhaps than in the one place that had originally given rise to the idea of the West itself: namely Europe. Here the situation seemed to move from being problematic to critical, and by 2010 downright disastrous. Indeed, one very obvious measure of a deeper Western malaise was the increasingly pessimistic tone of the debate in Europe itself about its own less than rosy future. The continent had known difficult moments before, but nothing like what

<sup>16</sup> Roger Altman, “The Great Crash, 2008,” *Foreign Affairs* (January/February 2009).

<sup>17</sup> Martin Jacques, *When China Rules the World* (London: Penguin/Allen Lane, 2009).

<sup>18</sup> In the view of one typical, critical reviewer, Jacques seemed “dead set on the idea of an epochal change in the structure of world power.” See Andrew J. Nathan, “The Truth about China,” *The National Interest*, 105 (January/February 2010), 73–80.

<sup>19</sup> Stefan Halper, *The Beijing Consensus* (New York: Basic Books, 2010). By 2010, China held 11.5 per cent of all outstanding US Treasury securities, valued at \$895 billion; accounted for nearly 12 per cent of all world trade; and had become the world's largest producer of clothing (60 per cent of the total), shoes (66 per cent), toys (80 per cent) and cars (13.8 million). It also consumed more imported coal and raw materials than any other state; it had already become the key economic player in its own region, and was fast becoming a major one in Australia, Latin America, and Africa. Figures from Robert J. Art, “The United States and the Rise of China: Implications for the Long Haul,” *Political Science Quarterly*, 125:3 (Fall 2010).



engulfed it now as one eurozone country after another (though not all) began to buckle and bend under the weight of accumulated debt. What few if any could then have anticipated was the speed with which this crisis became more and more entangled with a more existential debate about the future of Europe itself and its symbolically important currency. Indeed, by the middle of 2011 it was clear that it was not just one or two southern European economies that were in deep trouble: it was, in effect, the whole European project; and if the project went under, as some now feared that it might, then what future for the West? Not much, it seemed.<sup>20</sup>

The evidence that we are in the middle of a major rearrangement in the distribution of global power looks overwhelming—certainly convincing enough to persuade the bulk of the *commentariat* and most policymakers that we are indeed moving into what Serfaty has termed a post-Western world.<sup>21</sup> Of course, opinion about this shift has been mixed. Some clearly fear what is happening on the grounds that it will undermine Western values, lead to greater instability, or even increase the possibility of war—most obviously between the United States and China.<sup>22</sup> Most, though, seem to welcome, or at least accept, what is taking place, either because it is delivering a more even distribution of economic power, creating a larger middle class worldwide, alleviating poverty, helping keep inflation in check, preventing the international economy from collapsing altogether, or leading to a more balanced, and therefore more stable, international system. In any case, both those fearing this change and those welcoming it do not seem to question that such a shift is now happening.<sup>23</sup> Indeed, after a period of extended angst, it now looks as if many in the West more generally accept that there is very little that can or should be done to stop it from going any further. Even the most traditional of policymakers seem to have bowed to the inevitable and concluded that one must simply prepare for what one writer has called the “long haul.”<sup>24</sup> As Henry

<sup>20</sup> See Ken Rogoff, “The global fallout of a eurozone collapse,” *Financial Times*, June 6, 2011.

<sup>21</sup> Simon Serfaty, “Moving into a Post-Western World,” *The Washington Quarterly*, 43:2 (Spring 2011), 7–23.

<sup>22</sup> A. F. Organski, *World politics* (New York: Knopf, 1958); Renee Jeffrey, “Evaluating the ‘China threat’: power transition theory, the successor-state image and the dangers of historical analogies,” *Australian Journal of International Affairs*, 63:2 (2009), 309–24; Ian Clark, “China and the United States: a succession of hegemonies,” *International Affairs*, 87:1 (2011), 13–28.

<sup>23</sup> “The likely emergence of China and India, as well as others, as new major global players—similar to the advent of a united Germany in the 19th century and a powerful United States in the early 20th century—will transform the geopolitical landscape, with impacts potentially as dramatic as those in the previous two centuries. In the same way that commentators refer to the 1900s as the ‘American Century,’ the 21st century may be seen as the time when Asia, led by China and India, comes into its own.” *Mapping the Global Future: Report of the National Intelligence Council’s 2020 Project*. (Pittsburgh: National Intelligence Council, Government Printing Office, December 2004), 9.

<sup>24</sup> “Would economic denial work better for China today than it did for the Cold War? A reasonable answer is no” argues Robert J. Art in his outstanding article, “The United States and the Rise of China,” 359–91.

Kissinger has suggested in his most recent book, better, it would seem, to accept what has happened, work out strategies that will turn this new challenge into a rare opportunity, and move on.<sup>25</sup>

It is at this juncture that I would like to call time, or at least ask a few awkward questions that few seem prepared to ask about what many now think has already happened to the international system. I do so not because I am opposed to change as such, or believe the West has a right to stay on top for ever, or because I am suffering from some deep Spenglerian angst about the decline of Western civilization in general or the United States in particular. Rather it is because, in the headlong rush to prove one thesis about the emerging world order, a good number of analysts (not all) appear to have taken leave of their empirical senses.

Basically, I make a number of connected points. The first, quite simply, is that too many analysts are failing to distinguish between the emerging economies' growing material resources and power. Cataloging how much has changed in terms of trade or market share might tell us a lot about economics. But it does not necessarily tell us a great deal about power, or answer the question as to whether or not there has been a "power shift."<sup>26</sup> Secondly, even at the level of economics there has been far too much sloppy thinking, usually predicated on some rather dubious predictions about where the world might be in ten or twenty years' time. Not only are such predictions fraught with all sorts of problems, like all predictions are bound to be: they are also based on some very dubious arguments about the world economy today. Put bluntly: too many writers simply assume that the structure of the world economic system is changing fast, without really doing the research to prove it. If they were to do so, then they would discover something rather surprising: things have not changed quite as much as they seem to believe. In fact, as I try to show, not only does the US remain economically hegemonic, it is also in the most fortunate position of being allied to, and having a very close relationship with, that other most important source of misunderstood power in the world today: namely the European Union. Over the last few years it has become fashionable to write off the transatlantic relationship. In this chapter I do the opposite: not because I am unaware of its many weaknesses, or because other parts of the world, including the emerging economies, are unimportant. But rather because in terms of the balance of power in the modern international system its position still remains critically important.

<sup>25</sup> See his *On China* (New York: Penguin, 2011), where in the last sentence he invokes the spirit of Kant when talking of the future relationship between China and the United States.

<sup>26</sup> A general point very well made by Evelyn Goh in relationship to China. See her brief but most insightful "Limit of Chinese Power in Southeast Asia," *YaleGlobal*, April 26, 2011. <<http://yaleglobal.yale.edu/content/limits-chinese-power-southeastasia>>.

I then look at China and how we should view its rise, peaceful or otherwise. Here I make the less than original argument that China is still in many ways a “poor” country facing all sorts of specific problems—duly recognized by the Chinese leadership—which means that it is still light years behind the United States and many other Western countries. But I also make what I think is the more interesting observation that, even if China were to “rise” higher than it has already, far from increasing its power it could just as easily diminish it badly. I will seek to explain why.<sup>27</sup> I then move on to look at the more general argument concerning the “irresistible” shift of power that is now apparently taking place toward Asia and away from the West.<sup>28</sup> Here I argue that this idea not only underestimates how far Asia or the “East” has to go before it catches up with the West; it also assumes that there is such an entity called the “East.” As I point out, this idea begs as many questions as it answers, first about whether Asia as a single entity really exists,<sup>29</sup> and second about the impact of its “rise” on relations between the Asian countries themselves.<sup>30</sup>

I then move on to a brief conclusion. Here I suggest that while we may not yet be witnessing some larger power shift in the world, there is no point denying the fact that some important changes are taking place. These, when taken together, mean that the future world system will be looking significantly different to that we have grown up with over the last twenty-five years. However, these changes, I argue, should not be viewed as constituting a shift from the West but rather a generalization of it. We should not be thinking in terms of one part of the world rising and the other falling, but instead of new actors in the world increasingly playing by rules drawn up in the West itself. To this degree, we may not be witnessing the end of the Western era, as many now argue, but instead its final triumph.

<sup>27</sup> Susan Shirk partially explains why in her *China: Fragile Superpower: How China's Internal Politics Could Derail Its Peaceful Rise* (New York: Oxford University Press, 2007). See also the sober analysis of India contained in David M. Malone, *Does the Elephant Dance? Contemporary Indian Foreign Policy* (New York: Oxford University Press, 2011).

<sup>28</sup> The literature on this is by now vast. But for a useful summary of the argument, one that invokes Newton to make the point, see Wendy Dobson, *Gravity Shift: How Asia's New Economic Powerhouses Will Shape the 21st Century* (Toronto: University of Toronto Press, 2009).

<sup>29</sup> In his own influential book, *The Post-American World*, Fareed Zakaria makes the important point that “to speak of the rise of Asia misses the point. There is no such thing as Asia.” This is “really a western construct.” Zakaria, *Post-American World*, 86.

<sup>30</sup> The former editor of *The Economist*, Bill Emmott, accepts that there is a new set of players in Asia—China, India, and Japan being far and away the most important. However, he argues that as they emerge, this is more likely to create more intense competition within Asia itself than between the West and Asia. See Bill Emmott, *Rivals: How the Power Struggle between China, India and Japan Will Shape Our Next Decade* (London: Penguin, 2009). This view of Asia in rivalry with itself as its collective weight rises is also articulated by Raghov Bahl, in his *Superpower? The Amazing Race Between China's Hare and India's Tortoise* (New York: Penguin, 2010).

## Is the USA becoming a down and out?

Let us deal with some of these issues in turn, beginning with the wider question as to whether or not the US and the West are as “down and out” economically as some now seem to be suggesting. Here I think we have to distinguish between recent headlines—all of which look like supporting the notion that the last ten years have been “hell” for the West<sup>31</sup>—and some basic economic facts. Some of these undoubtedly point, as Danny Quah has argued, to a certain tilt eastwards.<sup>32</sup> But one should not confuse this “tilt” with an irreversible economic decline of the West itself. China may well be consuming twice as much crude steel as the US, the EU, and Japan combined.<sup>33</sup> India may have a modern IT sector, a strong entrepreneurial culture, and the richest cricket league in the world. And Brazil may have large and growing agricultural, mining, manufacturing, and service sectors, making it the dominant economy in Latin America. But the Western economies overall still retain some big structural advantages, none more so than the West’s supposedly beleaguered leader, the United States of America.

Is the US economic star on the wane? Over the very long term, probably; and naturally enough under conditions of globalization, others are beginning to make giant strides forward. But they still have a very long way to go to match the United States, a country that we need reminding still remains remarkably stable and secure, which has the rare privilege of printing the all-powerful dollar (still representing over 60 per cent of foreign exchange reserves), and which, because of its sheer dynamism, has been the destination of choice for over twenty million emigrants since 1989. The United States, moreover, sits at the very heart of the wider world economy. Thus it is far and away the world’s biggest source of foreign direct investment and the largest recipient of overseas capital.<sup>34</sup> It is also its largest trader. Certainly, without the US importing as much as it does—as much as 8 per cent of China’s GDP is exported to the United States each year—not only would the American consumer have a lower standard of living, the world economy simply could not function. The US may face a unique set of difficulties right now. China and others may be expanding their field of economic operations. But, as has recently been suggested, the US still possesses critical features that give it what one writer has called “positional advantages” over all other states. Norloff even challenges the now fashionable view that America’s hegemonic burdens are outweighing the benefits. She suggests otherwise: Washington actually

<sup>31</sup> *Time Magazine*, 2009.

<sup>32</sup> Danny Quah, “The global economy’s shifting centre of gravity,” *Global Policy*, 2:1 (2011), 3–9.

<sup>33</sup> *The Economist*, 2010.

<sup>34</sup> James Jackson, *US Direct Investment Abroad: Trends and Current issues* (Washington, DC: Congressional Research Service, February 1, 2011).

reaps more than it pays out in the provision of public goods. Indeed, by maintaining an open market (trade deficits and all), the US is able to bargain for better commercial deals for American firms by the simple measure of threatening closure.<sup>35</sup>

Of course, others are getting bigger. Nonetheless, the United States as a single state is still way ahead of the “rest.” In terms of GDP, in fact, it is over eight times larger than either Russia or India, over six times bigger than Brazil, and still nearly three times bigger than China. Indeed, the only other part of the world economy which comes anywhere close to matching it is the European Union, an organization comprising twenty-seven members, including some of the most advanced economies in the world, like Germany.<sup>36</sup> Indeed, even if you add up all the BRICs together economically—that is to say Brazil, Russia, India, and China—they are still about 40 per cent smaller than the United States: the four, moreover, are clearly not united; they produce what they do with a combined population nearly eight times larger; and they all have internal problems such as corruption and a lack of transparency which simply do not exist in the US. Furthermore, if you were to combine the economic power of the United States with that of its closest Western partner, the European Union, and then set this alongside the BRICs, one discovers that whereas the BRICs account for just over 15 per cent of world GDP, the “West” accounts for nearly 50 per cent—over three times as much, in other words.<sup>37</sup>

Other economic indicators point to an even greater gap between the US, the West, and the rest. Take per capita income. In China, life is definitely getting better for the ordinary citizen, but in 2010 average income was still only one-tenth of that found in the West. In India and Brazil, where income is far more unequally distributed, the gap is even greater. The United States is also massively ahead of the emerging economies and the “rest” in terms of global competitiveness. It is certainly true, as the last Davos report pointed out, that the US has slipped from second to fourth in the world’s competitive league table. But it is only fractionally behind the top three (Switzerland, Sweden, and Singapore); its main problems are less structural than connected to macroeconomic stability (its deficits, in other words); and it is still a long way ahead of emerging countries such as Indonesia, India, Turkey, and Brazil. Indeed, of the top fifteen competitive countries, all are either identifiably Western or closely allied to the US; all, that is, with the one exception of

<sup>35</sup> See Carla Norloff, *America’s Global Advantage: US Hegemony and International Cooperation* (Cambridge: Cambridge University Press, 2010), 88–90.

<sup>36</sup> US GDP in 2010 was around \$14.6 trillion and the combined EU’s just over \$15 trillion. China’s GDP in the same year was approximately \$5.8 trillion. See International Monetary Fund, *World Economic Outlook: April 2010* (Washington, DC: IMF, 2010).

<sup>37</sup> Figures taken from the *CIA World Factbook* for the relevant years.

Hong Kong. China, meanwhile, is ranked twenty-fourth, India fifty-first, Brazil fifty-eighth, and Russia sixty-third—just one ahead of Uruguay.<sup>38</sup>

Another way of measuring US economic power is to look at its fifty states and then compare these to various foreign countries. *The Economist* did such a survey by matching the GDP equivalent of each American state with that of a sovereign nation. The findings were truly remarkable. Thus Taiwan, with a population of about twenty-three million, had an economy only 15 per cent bigger than Michigan, even though Michigan only had a population of ten million. Indonesia, with a population of over 230 million, had an economy only 10 per cent bigger than that of Pennsylvania, even though its population was twenty times bigger. Turkey's economy, meanwhile, was one-third smaller than that of Florida, Brazil turned out to have an economy just slightly smaller than that of California, while the Russian economy had more or less the same GDP size as Texas—the difference here being that whereas Russia had a population of 140 million, Texas only had 20 million.<sup>39</sup>

There are other indicators of national economic strength. One, obviously, is wealth measured by the number of very rich people living in any particular country. Here the statistics show that the United States has more millionaires (over five million in all) than the rest of the world put together. There is, in addition, a demographic measurement of national power. Here we discover that not only are its core numbers all pointing in the right direction—namely upwards—but that the balance in the American population is under modern conditions about as good as it can be.<sup>40</sup> Furthermore, though its cities might feel crowded, America is in fact underpopulated, with enormous room for further population growth. Certainly, when compared with either its peer rivals, its closest allies, and its main competitors, its demographic position looks remarkably secure.<sup>41</sup> Americans would also seem to do much more with far less. Indeed, one of the more stunning indicators of US productivity is the simple but telling fact that with only around 4 per cent of the world's population it still manages to produce something close to around one-quarter of all the world's goods and services.

<sup>38</sup> Klaus Schwab (ed.), *The Global Competiveness Report 2010–2011* (Geneva: World Economic Forum, 2010).

<sup>39</sup> Giancarlo Loquenzi, "Still top of the charts," *Longitude* 4 (2011), 89–91.

<sup>40</sup> Mark L. Haas, "A Geriatric Peace? The Future of US Power in a World of Aging Populations," *International Security*, 32:1 (Summer 2007), 112–47.

<sup>41</sup> "Demographic trends portend serious relative economic decline in Russia, severe complications for the prospect of 'China's rise,' relative economic decline for Japan, a relatively positive outlook for India, and, comparatively speaking, the most auspicious fundamentals for the US" Quoted in Ashley J. Tellis, Andrew Marble, and Travis Tanner (eds.), *Asia's Rising Power and America's Continued Purpose* (Seattle and Washington, DC: The National Bureau of Asian Research, 2010), available at: <<http://www.aei.org/docLib/Asia-Pacific-Demographics-Eberstadt.pdf>>.

Then there is the really quite critical issue of research and development (R&D). Through innovation, tinkering, and steady improvement, China and others have certainly managed to narrow the gap somewhat.<sup>42</sup> But while they have done well enough (though by Western standards not that well), the United States continues to lead the field. This was certainly the finding of a detailed RAND study back in 2008. This examined the by then popular—but as it turned out misguided—view that the United States was losing its competitive edge in science and technology (S&T). The claims were examined and were found to be almost entirely spurious. Indeed, far from falling behind and losing its top ranking, the US continued to lead the world. In fact, it had not just kept pace with its nearest competitors (again mainly to be found in Europe); it had actually grown faster than all other nations on several measurements. Interestingly, it also continued to benefit enormously from the influx of foreign researchers, who, far from being deterred from working in what many now claimed was an environment hostile to outsiders post-9/11, still saw the US as the cutting-edge center of S&T, having the best research facilities and of course the most attractive salaries. Significantly, but not coincidentally, of the ten Nobel prizes awarded in the broad sciences in 2008, eight went to those working in the United States.<sup>43</sup>

Finally, though much can be said about (and against) the quality of American economic leadership, it is still only the United States and its closest Western allies that really think in leadership terms when it comes to the larger international economy. No doubt their capacity to lead has been badly dented by the economic crisis, and the rise of the “rest,” as others have pointed out, means they are bound to consult more. However, unlike the “rest,” it is still only the West—and the US in particular—that appears to have some sort of positive vision for the world economic order. This was first formed in the period after 1945 and has remained remarkably consistent ever since. In fact, so attractive has this “open door” vision been that even China has been drawn toward it, initially in the 1970s when it opened up diplomatic relations with the US, then again in the 1990s when it was becoming clear that China had to rejoin the world economy or stagnate, and then finally in 2001 when it formally entered the World Trade Organization (WTO). All this surely tells its own hegemonic story. After all, it was not the US which joined a Chinese-created system and

<sup>42</sup> Don Durfee and James Pomfret, “China struggles to find a formula for innovation,” *International Herald Tribune*, May 6, 2011. This excellent piece goes on to show that even though China has invested more and more in advanced science and technology, innovation is seriously held back by several structural factors, including the important role still played by the state in the economy, poor enforcement of intellectual property rules, an educational system that emphasizes rote learning, and a shortage of independent organizations that can evaluate scientific projects.

<sup>43</sup> Titus Galama and James Hosek, *US Competitiveness in Science and Technology* (Santa Monica: Rand, 2008).

then played by its rules. Rather it has been China that has chosen to join a world economic order originally created, and in many ways still governed, by rules written in the United States.

## The transatlantic relationship

If the US remains a far more dominant economic player in the world than some have been suggesting of late, so too is that much underrated entity known as the transatlantic economic region. That Asia in general and China in particular are becoming more significant is obvious. But it is one thing to suggest that Asia is growing in economic importance; it is quite another to speak of the transatlantic area as if it were slipping rapidly into geo-economic obscurity.<sup>44</sup> This ignores many things—most obviously the facts. Indeed, in the rush to prove the existence of an irresistible power shift away from the US and Europe, these have been in very short supply indeed. Thus little attention now seems to be paid to the fact that the EU and the US constitute the biggest economic bloc in the world; and that even though trade across the Pacific has been rising fast—largely because of China—trade across the Atlantic still remains huge.<sup>45</sup> Services and foreign investment tell an even more interesting story, however. Consider the bald numbers. Services now make up the bulk of any modern economy, and not surprisingly trade in services has risen rapidly under conditions of globalization; but it has risen especially quickly across the Atlantic. Indeed, by 2008 it amounted to around \$350 billion, an increase of well over three times since 1995. Foreign direct investment (FDI) reveals the same trend. It has climbed steeply since the 1990s, and by 2007 totaled \$15.2 trillion. Of this, the bulk (over 65 per cent) went to developed countries, not emerging ones. Moreover, the largest amount was transatlantic, with the largest non-European investors in the EU being the United States (\$1.4 trillion in 2007, three times more than the stock of US FDI in the whole of the Asia-Pacific region) and the largest overseas investor in the United States being the EU. Nor should we be so surprised by this. As various studies have shown, the most important determinants shaping the decisions taken by Western companies to invest in other countries are not cheap labor or tax breaks (though sometimes these do make a difference) but rather the size and wealth of the host market, the stability of the country's political system, and the predictability of the business climate; and on all these measures, the EU and the US

<sup>44</sup> Nick Bisley, "Global Power Shift: The Decline of the West and the Rise of the Rest?" in Mark Beeson and Nick Bisley (eds.), *Issues in 21st Century World Politics* (New York: Palgrave, 2010), 66–80

<sup>45</sup> Merchandise trade between the EU and the United States totaled around \$365 billion in 2009, 75 per cent of the level of that between China and the United States—but without the vast four-to-one imbalance currently in China's favor.



are vastly more attractive destinations for FDI than most other parts of the world.<sup>46</sup>

But the transatlantic economic region is not just big. It has also been the driver of the world economy since the end of the Second World War. This may of course be changing now, but only to a degree. Possessing, as it still does, the largest market on earth, the greatest store of wealth, and the bulk of the world's corporations, it is hardly surprising that it exerts the extraordinary pull it does.<sup>47</sup> Indeed, for all the fuss now being made about emerging markets and China, it is easy to forget that they could never have emerged in the first place without the massive stimulus provided by the EU and the US. Nor should we forget how financially powerful they remain.<sup>48</sup> Indeed, even following the financial crisis, US and EU financial markets continue to account for well over two-thirds of global banking assets; three-quarters of global financial services; 77 per cent of equity-linked derivatives; more than 70 per cent of all private and public debt securities; almost 80 per cent of all interest rate derivatives; almost 75 per cent of all new international debt securities; and 70 per cent of all foreign exchange derivatives transactions. Of global foreign exchange holdings, 92.8 per cent are also held in transatlantic currencies, either dollars (62.1 per cent), euros (26.5 per cent) or sterling (4.2 per cent).<sup>49</sup>

Taken together, Europe and the United States also possess many other significant assets. They are, for example, home to the overwhelming majority of the world's leading universities. Of the top five, in fact, three are American and two British; within the top twenty-five, only one is Asian (Tokyo University); and within the top fifty only a handful are to be found outside the United States, Europe, or the English-speaking world more generally. Significantly, no university within the top 100 is Indian, Brazilian, or Russian, and only five are to be found in China (three of these in Hong Kong).<sup>50</sup> This in turn has a massive impact on where the most mobile of students tend to study. It comes as no great surprise of course to find out that the bulk of international students choose to study in either North America, Western Europe, or some other OECD "Western" country, notably English-speaking Australia. Very few, on the other hand, choose to study in

<sup>46</sup> See Philip Whyte, *Narrowing the Atlantic: The Way Forward for EU-US Trade and Investment* (London: Centre for European Reform, April 2009).

<sup>47</sup> Daniel S. Hamilton and Joseph P. Quinlan, *The Transatlantic Economy 2010* (Washington DC: Center for Transatlantic Relations, 2010).

<sup>48</sup> Richard Higgott, "Multipolarity and Trans-Atlantic Relations: Normative Approaches and Practical Limits of EU Foreign Policy." GARNET Working Paper, 76/10 (April 2010).

<sup>49</sup> Daniel S. Hamilton and Joseph P. Quinlan, *The Transatlantic Economy 2011* (Washington DC: Center for Transatlantic Relations, 2011).

<sup>50</sup> See for example *World University Rankings* for 2009 <<http://www.topuniversities.com/university-rankings/world-university-rankings/2009>>.

Asia or in any other of the emerging countries' institutions of higher education. Indeed, between them the United States, Canada, the UK, Australia, France, and Germany account for something close to two-thirds of students studying abroad at any one time. The same very unequal pattern is found in terms of the most prestigious business schools. Those most highly rated are found in the advanced Western countries: either the United States, which is home to over 50 per cent of the most highly ranked in the top 100; the United Kingdom, which plays host to the best business school in the world (the London Business School); or a few other countries like Canada, Spain, and France. The emerging economies, meantime, can only boast a handful of the top schools: three in Latin America (though not one in Brazil), two in India, one in South Korea, one in Singapore, and only one in China (in Hong Kong).<sup>51</sup>

But what about the state of the transatlantic relationship more generally? Is this not getting worse by the day? Are the Americans not getting bored with Europe, impatient with NATO? Indeed, has Europe more generally not slipped down America's list of interests? To a minor degree—yes. But again one needs to separate out myth from reality. Americans might complain at great length about how little their European allies are doing in terms of adding to the net surplus of global security. They worry too about Europe's sluggish recovery from the economic crisis. But that does not mean Europe has become any the less important. Thus, while the Pentagon might be upset that its NATO allies across the Atlantic are not doing as much they should, they are at least contributing something. Furthermore, they are doing so within a collective alliance that has stood the test of time, that is in its own way more than just a coalition of the willing, and which has no equivalent anywhere else in the world—and certainly not in Asia. Indeed, having allies one can trust is of huge significance for the United States. The world would certainly be a much lonelier place without them. If nothing else, they give the US a set of usable friends in another, very important, part of the world. In purely logistical terms they also provide a most important forward base. And at crucial times, it adds significantly to what the United States can do. As even the skeptical Atlanticist Robert Kagan once pointed out, while the two continents may look at the world through rather different lenses, they still share a set of ideas that are, broadly speaking, compatible with one another.<sup>52</sup> Nor should we be so surprised by this. After all, countries on both continents are composed of democracies, they both work together with reasonable harmony in most international forums, and in spite of some well advertised differences, their

<sup>51</sup> See the Financial Times rankings for the world's business schools <<http://rankings.ft.com/businessschoolrankings/global-mba-rankings-2011>>.

<sup>52</sup> Robert Kagan, *Of Paradise and Power: America and Europe in the New World Order* (New York: Random House, 2003).

values are more or less the same. In fact, it may well be that they are so alike in so many ways that they sometimes feel a need to stress their differences when, in fact, according to one writer, many of these differences are less an expression of how divided the two are (compared say to the differences between China and the United States) but rather of how similar they happen to be.<sup>53</sup>

Finally, if we are thinking in terms of relative power, it is important to determine the extent to which the United States and the EU together are still able to shape events, ideas, and values in other parts of the world. The simple headlines all seem to be telling the same downbeat story: that given their many problems and the rise of new centers of power, both are less and less able to influence what is now going on in an ever more complex international system. There is some truth in this, of course. But we have to put things into perspective. These two traditional centers of power might now be less able to determine what is happening globally. It would, however, be absurd to suggest that some other state or combination of states will be replacing them any time soon. For one thing, the US and EU as the largest plural market democracies together continue to exercise a great deal of soft power in the international system, proven by the fact that the two still set the standards by which others measure themselves. They also deploy an enormous amount of hard power too—first because of their economic weight, and secondly because of their military capabilities. Even those European Kantians have more than their fair share of fighter planes, tanks, aircraft carriers, and the like. Indeed, so wedded have analysts become to the idea that Europe has every other kind of power, other than military, that it is very easy to forget that it spends nearly \$400 billion per annum on security. China's spending on defense might be on the rise; and countries like Brazil and Russia have sizeable defense sectors. But the Europeans spend far more than the three put together. When this is then combined with US spending, this adds up to well over 70 per cent of the world's total. Indeed, in 2010 alone the United States spent close to \$700 billion on national security—ten times more than its nearest allies, fourteen times more than China. Nor is this asymmetry about to change any time soon. In fact, all future projections show that the US will be the only major actor in the world capable of global projection for several decades to come. Iraq might have cost the United States dear. And Afghanistan might cost it more. But neither war will change what has been true since the end of the Cold War and the collapse of the USSR: that there is still only one serious superpower operating in the international system today.<sup>54</sup>

<sup>53</sup> Narcissism of small differences.

<sup>54</sup> Bob Woodward, *Obama's Wars: The Inside Story* (New York: Simon & Schuster, 2010).

Nor, to continue, does the West face much of a challenge in terms of soft power competition either. The US may have lost much standing because of the Iraq War, and the Western economic model might have suffered a blow because of the economic crisis. However, the first seems to have proved temporary—except in the ever hostile Arab world—and the second appears to have been short-lived. Indeed, one of the more remarkable aspects of the last few years, during which the “West” seems to have been under such stress, is how little difference this has made in the end to its legitimacy. Nearly 10 per cent of Americans are now unemployed; the figures in some European countries go even higher; millions are now experiencing great insecurity; and the “rest” look like they are doing so much better. But the West, and what English has called the “idea of the West,” appears to have remained intact with its institutions still in place, democratic practices as secure as ever, and with hardly anybody calling for or suggesting some kind of systemic alternative.

### Thinking the future: China

If the transatlantic relationship at the heart of the old West remains a good deal more robust than recent analysis would seem to suggest, how are we to evaluate the longer-term prospects of the many emerging economies, and of course China in its own region? Here we can but speculate. However, based on what we already know as opposed to that which we do not—namely what is likely to happen over the next ten or twenty years—we can make some reasonable projections. And not all of them suggest a future quite as rosy as many now seem to believe.

First, though China’s economic rise is seriously impressive, it remains what *The Economist* recently called an “anxious state.” Materially more powerful than ever, and playing an ever more influential role around the world, it still faces the international system without a very clear idea of what it is doing. Some have talked of China’s increasing soft power, and the more alarmist of its growing military prowess. Still, one aircraft carrier and a handful of Confucius Institutes do not add up to a forward strategy or a world view. Moreover, the position that it does espouse—the Westphalian notion that states should not interfere in the internal affairs of other states—seems to be particularly ill-suited to dealing with most of the major security challenges facing the world community today.

Furthermore, though China has won more than its fair share of grateful friends on continents like Africa because of its economic largesse, there is little indication (yet) that it is winning hearts and minds as well. China might aid and trade in ever-increasing amounts; it can also buy massive amounts of raw

materials and oil. But it has proven rather inept when it comes to acquiring true friends. This is in part cultural. It is also linguistic. It is economic too. Take Africa: here, China has made massive economic inroads. But if various reports from around the continent are to be believed, the Chinese are not only regarded as being aloof and distant; among many African small business people they are also seen as being ruthless competitors whose only ambition seems to be to create a monopoly after they have wiped out most of the local competition.

The very real problems that China is facing on continents like Africa raise a much bigger question concerning its fragility as a would-be superpower in the international system. Here we might identify at least three big issues: one concerns the relationship between its communist superstructure and its increasingly capitalist base. This, it is clear, not only poses a series of long-term problems to which Chinese leaders do not seem to have an easy answer—hence their ongoing insecurity in spite of their record growth figures. It would also suggest that its own very unique model combining Stalinist political rule and dynamic state capitalism might work under Chinese conditions for the time being. But there is little indication that it is for export elsewhere. China might attract admiration, it may also command respect, but there is not much evidence that it is attracting many imitators. In part, this is because there is, as the Chinese leaders point out, something distinctly “Chinese” about what is happening in China. But it is also because what is happening there is occurring under the direction of a party whose formal ideology at least has been abandoned in most other parts of the world. Much has been said of late about “the crisis of democracy” and the rise of the authoritarian alternative. But no serious states in the world today—excluding the deeply unattractive North Korea, the fast evolving Cuba and Vietnam—are any longer ruled by communist parties. Nor is the tide of history moving in that direction. China of course might be run in ways that make it economically dynamic for the time being; it might even be the kind of system that most ordinary Chinese prefer to what they had before. But there is very little chance of it being replicated elsewhere.

Finally, there is no guarantee that the model it now has will remain in its current form for ever. Liberals are certainly wrong to argue that capitalism always requires democracy to flourish. But one does not have to be a liberal to suggest that over time the present Chinese model could easily confront some very serious problems indeed. Divisions between its increasingly unequal regions, the growing gap between rich and poor, inflation and corruption, and the very obvious tension between its dynamic open economy and its highly restrictive polity, all suggest that China is still very much a work in progress, with more than a passing chance of deep tensions and conflicts emerging in the future. What chances then, one wonders, for the Goldman

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Sachs projection of China overtaking the United States in the coming decades?<sup>55</sup>

## Power shift: regional dynamics

This then brings us lastly to the larger questions of precisely what it is that we mean by a “power shift” and what the implications are of China’s “peaceful rise” in its own region?

Let us deal first with the issue of power. As I have suggested throughout this chapter, though China’s economic achievements are impressive, we should not confuse what it has achieved economically with the acquisition of “power.” China in fact remains a most incomplete actor on the world stage. As we have seen, it has only very limited amounts of soft power; it has few major allies worth the name; and even its hard power capabilities are light years behind those of the West in general and the United States in particular. Furthermore, for a supposed emerging great power with what some claim are hegemonic ambitions, the Chinese themselves appear to be exceedingly modest about what it is they are seeking to achieve internationally and how far they actually want to go in challenging the existing international order. No doubt there may be those in China who want China to confront the West and the United States more forcefully, and there is some evidence to suggest that these voices might be becoming much louder.<sup>56</sup> Even so, what the more influential voices in China (as opposed to the shrillest) seem to be saying is something that they have been repeating for a very long time: namely that China is still a relatively backward country with all sorts of problems that will take it years to address; therefore it is much wiser to keep one’s head down internationally, work within the existing global system, and hope that over the longer term China’s voice will begin to carry more weight abroad. This is already beginning to happen anyway. So why create problems by asserting oneself too forcefully against a West whose power one would be very foolish to underestimate and whose main leaders have for several years been keener to work with China rather than against it?

If this indeed remains the line, then China, it would seem, appears to have a much better grasp of international realities than many Western commentators, who seem unable to mention the country without talking in hyperbolic terms about its rise. Its leaders certainly appear to understand that any move on their part to balance the power of the United States, or to define its policies

<sup>55</sup> Goldman Sachs, “The Long-Term Outlook for the BRICS and N-11 Post Crisis,” Global Economics Paper 192 (December 2009).

<sup>56</sup> Mark Leonard, *What Does China Think?* (London: Fourth Estate, 2008).

in ways that challenged a world order that has underwritten thirty-five years of stability and record economic growth, could be extremely damaging. Such moves, they realize, would not only damage China's prospects at home, and naturally enough unite a still very powerful West against it; they would also frighten a number of other very powerful states in the region. India, South Korea, Taiwan, and Japan might be thousands of miles away from the US or Europe, but as functioning market democracies whose security needs are intimately tied up with—indeed, dependent upon—the United States, they would soon run for cover if Beijing were to pose a serious challenge to the status quo. Indeed, if China were to break from the foreign policy course along which it has been traveling for years and seek to contest the United States more aggressively—something many now claim it is doing—its leaders would soon discover two things: what an unforgiving place the world can be (and none would be more unforgiving than the Americans); and that while its neighbors might happen to live in the East, this does not mean they do not view themselves as being part of that hugely successful and extraordinarily dynamic entity known as the West. For them at least geography is not fate, any more than their global relationships are predetermined by where they happen to be located on a map of the world.

### **Conclusion: new orders?**

I have made the strong claim in this chapter that the notion that we are in the midst of some larger power shift is either premature (at best) or deeply misleading (at worst). As I have tried to show, the United States still has much residual power; the transatlantic relationship is not quite so unimportant as many now seem to be claiming; and the idea that power is moving toward Asia not only overstates the degree of unity within Asia but underestimates the many fears that China's rise has engendered in the region more generally.

However, in making the case for greater structural continuity than is normally suggested by many writers, I am not implying that the world is an entirely static place. Such an assertion would be quite wrong. Indeed, as those I have criticized above have correctly suggested, there are major trends in the world today that are raising important questions about where we are likely to be in the future. My main critique of them is not that they are wrong to talk of change; it is instead the significance they have attached to these changes.

Thus far at least three scenarios have been suggested about the new international order in the making. The first, which might crudely be labeled "realist," argues that the future contains all sorts of dangers—especially in

Asia itself.<sup>57</sup> A second suggests that globalization has gone so far that even if new tensions do arise (in Asia or elsewhere) these will take place in a world where the economic incentives for peace are bound, by definition, to reduce any serious conflict to a minimum. Lastly, there is a view—recently articulated by Barry Buzan—that we are in effect moving toward a new set of regional orders in which there will in fact be no superpowers at all.<sup>58</sup>

By way of conclusion, I would like to suggest an alternative reading, one that is perhaps less concerned to anticipate different kinds of futures—realist, liberal, or regionalist—and more interested in explaining what to me at least seems the most important global change of all: one that began in the 1970s, continued with the collapse of planning in the 1980s and 1990s, and which has even survived the financial crisis of the last few years. Labeled differently by different writers, it still adds up to the same thing: the consolidation and spread of a series of structures, policies, and ideologies that for want of a better word equate with what has now come to be known as the “West.” Indeed, even those who are now “rising” in China, India, and elsewhere are doing so largely because they have joined the West rather than as they did in the past, rejecting it.

Of course, this does not mean that there is a single version of the West, any more than the idea of the West presupposes that all states operating increasingly by Western rules will look and act identically. Nor, to continue, does it mean that the spread of the West will automatically resolve all differences or create a “world society” without contradiction. That would be plainly absurd, as new tensions in Asia and between China and the United States attest. Still, we have to look at the bigger canvas and not the various brushstrokes on it; and what this suggests is that there is now only one club worth belonging to. The issue then is not whether to join it or play by its rules. Serious states in the modern order have no choice than to do so. Rather, it is to work out where precisely in the club’s pecking order one is likely to find oneself and how high up the table one is likely to be sitting.

<sup>57</sup> Emmott, *Rivals*. See note 30.

<sup>58</sup> Barry Buzan, “China in International Society: Is ‘Peaceful Rise’ Possible?” *The Chinese Journal of International Politics*, 3 (2010), 5–38; Barry Buzan, “A World Without Superpowers: Decentered Globalism,” *International Relations*, 25:1 (2011), 3–25.



# Conclusion: The Future

*Geir Lundestad*

Making predictions about the future is a risky business. No sooner is the prediction made than it is proven wrong. Statements about the permanent nature of the Berlin Wall, the Cold War, and the Soviet Union come to mind. And those few who got it right often got the reasons wrong. Thus, the Soviet Union did not collapse either because of war with China (Andrej Amalrik) or because of the dissatisfaction of the Soviet Muslim republics (Hélène Carrère d'Encausse). Even more recently, we have discovered that there is no permanent economic boom. The downturns may still be considerable indeed. Hardly anybody predicted the Arab Spring of 2010–11. That the self-immolation of the fruit seller Mohamed Bouazizi in Tunis in December 2010 would have the consequences it did was apparently foreseen by nobody. So academics, or other people for that matter, have time and again fallen rather short in predicting concrete events. The great weakness of historians and historically inclined political scientists may well be that, while we are not good at making predictions, we are very quick to pronounce something historically inevitable once it has happened. Few things in history are really inevitable.

We may have fared slightly better in outlining broad historical processes than in predicting specific events. Thus, many came to understand that the Soviet communist system was facing increasing difficulties. It was just beyond our imagination that the outcome of these difficulties would be the total collapse of a system, an ideology, and a country. Similarly, few had doubts about the problems in the Arab world. The Arab Human Development Report of 2002 had outlined all the shortcomings of these countries in great detail.<sup>1</sup> The assumption was clearly that, sooner or later, they would have to either

<sup>1</sup> *Arab Human Development Report 2002* (New York: United Nations Development Programme, 2002).

reform or fall. Yet the problems had been developing for decades. No one could say exactly when the moment of truth would come.

In our Nobel symposiums we always try to say something about the future. Past, present, and future are our standard formula. The contributors to this book have dealt with the past and the present; it then falls upon the editor to deal with the future. The hope is that, while we may not necessarily be right in our most concrete predictions, we may still stimulate discussion that may tell us something about where we stand today, and where we may possibly be moving.

## Old and new superpowers

Again, predictions about the transfer of power have often proved to be wrong.<sup>2</sup> We not only missed out on foreseeing the collapse of the Soviet Union, but the fall of the United States as the leading power has been predicted time and again. Nikita Khrushchev was not in any way alone in his belief that the Soviet Union would come to surpass the United States. The growth curves were clearly pointing in that direction. Then there were all the predictions about Japan becoming Number One. Again, it seemed so obvious. If you extended Japan's and America's economic curves into the future, at some point Japan would have the biggest economy. And once you had the biggest economy, the rest would presumably follow. Then the European Union (EU) had its years in the sun. There was much to admire in the European experiment. The unification process was moving briskly ahead; EU membership was constantly being enlarged; the scope of the integration was forever being deepened. And did the EU not already have a combined gross domestic product (GDP) that was larger than that of the United States? We all know what the situation is today: the Soviet Union has disappeared; Japan has been at a political and economic standstill for twenty years; the EU is in a political and economic crisis.

But now there is China. The fact that something has not happened in the past does not mean that it will not happen in the future. In the present collection, Chen Jian and Michael Cox disagree on the future role of China, with Cox stressing the continued domination of the United States and the West. China has much that is going in its favor. Since the reform policy was launched in 1978, the economic results have been spectacular. No major power in history has grown as rapidly over such a long period. When the West was hit by economic recession in 2008, and has had slow or no growth

<sup>2</sup> Much of what follows in this section is based on my *The Rise and Decline of the American "Empire": Power and its Limits in Comparative Perspective* (Oxford: Oxford University Press, 2012).

after that, China coughed briefly at 6 per cent growth, and then nearly resumed its normal 10 per cent. Although there may be questions about Chinese statistics, there is no doubt about the overall direction. In recent years, China's production first surpassed that of Germany, then that of Japan. China had the world's second-largest GDP. If China continues to grow at the rate it has grown over the last ten years and the United States does the same, China will surpass the United States some time between 2019 and 2022, if not even earlier.<sup>3</sup>

Economically, China is already a global actor. It is the world's leading exporter and the second-largest importer. It is investing more and more in ever new regions and countries of the world. Based on its strong economy, China is also expanding militarily. Its ability to project power is increasing, particularly in the East Asian region, and its policy in the South China Sea and in other waters near its coast is becoming increasingly ambitious. Naturally the world is impressed with the Chinese model. Books and articles are written about the inevitable rise of China and how it will ultimately overtake the United States as the world's leading power. In other words, China will revert to the leading position it had for centuries. Some have called this "the post-American world."

Yet there is reason for doubt. Not only are there the many past predictions of the Soviet Union, Japan, and the EU surpassing the United States. Time and again we have seen that growth curves could not be extended indefinitely into the future. The US share of world production declined steadily from almost 50 per cent in 1945 to 40 per cent in 1950, 30 per cent in 1960, and 25 per cent in 1975. The assumption was of course that the slide would continue.<sup>4</sup> It did not. The US percentage of world production has held at close to 25 per cent ever since. China and East Asia have clearly risen, but primarily at the expense of Western Europe, less the United States. Although rising rapidly, China still produces only 40 per cent of what the United States does.

If China's production were to surpass that of the United States in 2019—which could well happen—this would be a historic event, since the US has had the largest production in the world since around 1870. China would still be a relatively poor country on a per capita basis, since it has a population four times larger than that of the United States. Yet, economic power is not normally measured on a per capita basis. Nobody sees Oman, Luxembourg,

<sup>3</sup> One economist, Arvind Subramanian of the Peterson Institute of International Economics, has in fact argued that in terms of purchasing power parity (PPP) China actually already surpassed the United States in 2010. For this, see Christopher Layne, "This Time It's Real: The End of Unipolarity and the *Pax Americana*," *International Studies Quarterly*, 56:1 (2012), 203–13.

<sup>4</sup> These percentages are presented and discussed in my *The American "Empire" and Other Studies of US Foreign Policy in a Comparative Perspective* (Oxford: Oxford University Press, 1990), particularly 202.

or Norway as the economic leaders of the world. Still, the estimates about China's economic success are bound to be influenced by the personal wealth of its citizens.

While it is true that America's many military problems in Iraq and Afghanistan have shown the limits of its military power and the force of asymmetrical warfare, in terms of alliance politics and so much else military power is still important. Again, although the rate of growth is higher in China than the US, with the long-term consequences that might have, the United States still spends six times more on defense than does China. While the United States has eleven aircraft carrier groups, China is still working to master the intricacies of its first carrier, bought from Ukraine in 1998 and being renovated until now. The United States has allies all over the world. Contrary to the expectations of political science realists, NATO has not disappeared with the end of the Cold War. It now has twenty-eight members and the United States is still the definite leader, although its role is much more complicated than during the Cold War. The rise of China has created renewed interest throughout much of East Asia and the Pacific in maintaining the United States as a counterweight—far away, but still projecting its power even here. Barack Obama certainly has his difficulties in the United States. Yet, even more important in this context, his standing as a world leader is still in a league of its own compared to that of the rather faceless Chinese leadership.

There are reasons why growth rates cannot be extended indefinitely. In China the supply of labor is beginning to be limited, wages are rising, and competition from new entry-level countries is becoming a challenge. The state sector is still huge and has many problems; many banks are shaky; bubbles are beginning to develop. The question is not if, but when, the high growth rates will begin to decline.

There are, moreover, two even deeper reasons for doubt about the future pre-eminence of China. First, although China has also made tremendous progress in innovation and research and has become a leader even in modern sectors such as solar energy and high-speed trains, the question remains of whether it will have the ingenuity to become the leading power scientifically. Science is the basis of much modern economic growth, and so far China has definitely been lagging far behind the United States in this area. The Chinese education system is still characterized by rote learning. Creativity is lacking. The extensive Chinese copying of Western innovation and science can only take the country so far. It is no coincidence that, at least until now, China has not won a single Nobel Prize in the sciences. The Dalai Lama and dissident Liu Xiaobo have both received the Nobel Peace Prize, but for this they have received absolutely no compliments from the Chinese authorities. Instead, they have both been severely criticized and punished in different ways by the Chinese government.

The second and ultimate question relates to China's political system. The rise of China has frequently been predicted, but something has always happened in the past that blocked the process, whether under the Nationalists after 1911 or under the Communists after 1949. The twists and turns under the Great Leap Forward and the Cultural Revolution were disastrous. The most ambitious efforts to overtake the West ended in ruin.

In the last few decades, the political system has been remarkably stable, with transfers of power from one generation to the next. Still, can the domination of the Chinese Communist Party (CCP) be maintained indefinitely? In history, huge changes at the economic level are normally sooner or later accompanied by political changes. The Communist Party has broadened its membership and is intent on having a dialogue with the new economic elites. As long as the economy continues to improve at a rapid pace, political loyalties may well be maintained. Pride in China's achievements has also strengthened a nationalism that benefits the party. Yet, as Chen Jian reminds us, from a longer-term perspective the party has a mixed record indeed. As many as forty million people may have lost their lives during the recklessness of the Great Leap Forward. Tens of thousands of "mass incidents" are taking place in China every year; the number is apparently increasing rapidly.

Human rights and various forms of democracy have been spreading throughout the world. In recent decades there appeared to be two geographical exceptions to this development: the Muslim world and China. Now democracy has made great strides in Turkey, in Indonesia, and even in Malaysia. The situation in the recalcitrant Arab world is also changing rapidly. The regimes in Tunisia, Egypt, Libya, and Yemen have fallen. Syria could well be next, and several others are threatened. Can China hold out more or less on its own against this wave? China has been opening up in so many different ways. It is a much freer country now than some decades ago. Still, the Party maintains its privilege of determining, alone, the answers to the most central political questions. Will it be able to continue doing so in the future? I have my doubts. In some way, the Chinese people will probably insist that their voice be heard more strongly than today.

The United States has many things going for it. As Jeremi Suri emphasizes, America stood for, and still stands for, important economic and political values. It has a strong economic basis, and in recent decades the most innovative companies in the world have almost without exception been American (Microsoft, Apple, Google, Facebook). The United States has a growing population with a better balance between young and old than almost any other major power. Through immigration, it is still able to draw in many of the most talented people from virtually the entire world. Its elite universities remain the leaders of the world. Jussi Hanhimäki argues that the United States still has

many things going for it, including the corrective action that often follows from the many predictions about its decline.

America's problems are twofold. First, the economy is in serious trouble. Growth has been slow or even non-existent in recent years. Debts have been piling up. Unemployment is higher than the 8 per cent reported in official statistics, since many have more or less given up looking for jobs. Inequality has risen sharply, with the top few per cent earning extraordinary amounts of money and paying limited taxes. As Melvyn Leffler reminds us, most Americans appear to have forgotten how important the government in Washington is for America's growth and welfare. For decades the United States lectured the world on the importance of balancing its budgets—yet it did not do so itself. Under George W. Bush, taxes were substantially cut while expenses increased dramatically. The wars in Iraq and Afghanistan were expensive. Costly social programs were added, also under Bush, in the form of the drug prescription program. On top of all this came the huge expenses of fighting the economic recession in 2008–10.

Second, while most Americans are incredibly proud of their political system as such, the politicians have been performing at a disappointingly low level in recent years. The system of checks and balances means that powers are shared: the president may be the most powerful individual in the world, but domestically his authority is clearly limited. Many hurdles have to be overcome before anything really significant can actually be accomplished. Traditionally, reform has come only in brief spurts, when the political powers were properly aligned. Right now, with slow economic growth, substantial unemployment, and large debts, and with the Republican Party and the House of Representatives dominated by the new and enthusiastic Tea Party, Obama's situation looks difficult. Gridlock exists in the form of a center-liberal president facing Republicans who try to do everything they can to oppose the president, and this in the most difficult of economic times. The outcome is clearly detrimental to the position of the United States in the world. When the president is unable to lead the United States, he definitely cannot lead the world. It is far from obvious that the presidential election in 2012 will resolve this situation.

No power can expect to remain forever Number One in the world. This would definitely appear to be against the laws of history, so far as such laws exist. The United States may still be the world's only fully global power, but its influence is being checked by a whole series of regional powers. In Europe, the United States is doing less than it did during the Cold War. Despite its many problems, the EU is doing more. As Frédéric Bozo makes clear, no one should write off a union that has a much larger population than that of the United States, and a somewhat larger total production. The military resources of Britain and France are still the third and fourth largest in the world. Japan, too, faces serious problems, but it does after all have the third-largest economy

in the world. In the Asian balance of power, Japan should definitely not be overlooked. With Japan on America's side, China will not be able to dominate even in East Asia. Russia has been facing great problems, but as Vladislav Zubok suggests, its lingering military base, its great natural resources, and in part still the education of its peoples provide some basis for its international role. Both Zubok and Vladimir Pechatnov agree that the United States has not shown the necessary sensitivity to Russia's difficult situation.

Then there are the new and rising powers. India is developing quickly. There are those who argue that, with its democracy and creativity, India may in the long run come to rival China. It has, however, a long way to go. Its production is still only between one-third and one-quarter of China's; its infrastructure is far inferior to that of China. Brazil has clearly emerged as a regional leader and is eager to play a larger role, not only in the western hemisphere but also in other parts of the world. In Africa, particularly in the southern part, South Africa is the crucial actor. Indonesia is emerging as an important country, as is Turkey. In short, it is becoming increasingly difficult for anyone, much less for a struggling United States, to be the world's predominant power in the way it used to be for decades.

### What will happen to the international system?

Stewart Patrick underlines how many dimensions there are to the international situation today. Following Charles Kindleberger, some observers have argued that the international system requires a hegemon. Before the First World War Britain was that leader. After the Second World War it was the United States. In the interwar years there was no leader: Britain no longer had the resources to lead, and the US did not have the will. Today, while the United States is still the pre-eminent power, it is not able to lead in the way it did in earlier decades. Its position has been relatively weakened; the American president also faces greater leadership challenges at home.

Still, the wider international system that was established after the Second World War has in many ways remained remarkably stable. Robert Keohane's question in 1984 of what would happen to the international system with the decline of the United States may have been premature, since the US was not then really in serious decline. His answer—that the system would most likely be maintained anyway—may still be of interest today.<sup>5</sup>

On the political side, the United Nations remains a key instrument for coordination and legitimation. After the end of the Cold War this role has

<sup>5</sup> Robert Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton: Princeton University Press, 1984).

actually increased in importance, despite the lack of reform of the Security Council. On the economic side, the International Monetary Fund and the World Bank, despite periods of drift and uncertainty, have taken on new life with the West's economic problems, particularly the international debt situation. On the trade side, GATT (General Agreement on Tariffs and Trade) has been replaced by the stronger World Trade Organization (WTO). The current Doha Round has not been completed, at least in part a reflection of America's reduced role, but the WTO dispute mechanism has proved of great consequence. This is one reason protectionism proved as limited as it did during the recent recession. A similar lack of leadership, and of conflict between the United States and China, is seen in the international environmental field. Again, the results have been meager indeed. Traditional regional organizations such as NATO, the EU, and the Organisation for Economic Co-operation and Development (OECD) have been replicated in weaker form in many different regions of the world, such as in the Association of Southeast Asian Nations (ASEAN) from 1967, the African Union (AU) that in 2002 replaced the Organization of African Unity, the Asia-Pacific Economic Cooperation (APEC) from 1989, and many others.

In the present volume Michael Cox, and in other contexts prominent scholars such as John Ikenberry, have suggested that even China will be incorporated into this wider Western-dominated international system.<sup>6</sup> To some extent this has already happened through China's membership in APEC and in the WTO. China's emphasis on rapid economic growth is bound to make it interested in rules and regulations that facilitate continued growth. But in political matters the Chinese record is much more ambiguous. On the whole, Beijing insists on the importance of national sovereignty. No one should interfere in the internal affairs of China, or any other state for that matter. Yet, in sensitive matters such as the situation in Burma, Sudan, Libya, etc., China has occasionally refrained from using its veto in the United Nations (UN) to stop further action. China has even shown some interest in Responsibility to Protect (R2P), although primarily by stressing the responsibility of the various states to handle matters in such a way that genocide, crimes against humanity, etc. are avoided. It should be added that several of the BRIC states (Brazil, Russia, India, and China) have similarly insisted on the priority of national sovereignty, although not quite as unwaveringly as China.<sup>7</sup> Even the United States has had great difficulties with some

<sup>6</sup> G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order* (Princeton: Princeton University Press, 2011).

<sup>7</sup> Jorge G. Castañeda, "Not Ready for Prime Time: Why Including Emerging Powers at the Helm Would Hurt Global Governance," *Foreign Affairs*, 89:5 (2010), 109–22; Stewart Patrick, "Irresponsible Stakeholders? The Difficulty of Integrating Rising Powers," *Foreign Affairs*, 89:6 (2010), 44–53.



international agreements, such as the Kyoto Protocol and the International Criminal Court. And this was the case even under the internationally oriented Clinton administration.

The alternative scenario is that the rise of China is bound to create conflict and possibly even war. Since Thucydides, political science realists have insisted that the rise of one state and the fall of another are bound to produce such an outcome. The story seems to have been repeated over and over again in European history. China's rise implies that it should be the pre-eminent power, at least in its own East Asian region. In Aaron Friedberg's words, China's objective is to "win without fighting." When this role is not favored either by most of the regional countries or by the United States, conflict is likely to follow, although this may not necessarily be in the form of war. Even political science liberals, who tend to favor more optimistic scenarios, have to admit that the differences between China and the West in their approaches to democracy and human rights are bound to produce tension.<sup>8</sup>

No one can be certain how the rise of China will work itself out. The rise of one state and the fall of another do not have to lead to war, as seen by the rise of the United States and the fall of the United Kingdom since the late nineteenth century. China does have an obvious interest in peace as a precondition for its continued economic rise. China has given up its revolutionary political ideology and has adjusted to the international regime in many economic ways. The United States and China are also much further apart geographically than were the various European powers whose wars provide so much of the basis for realism.

It is becoming increasingly clear that while China is taking a stronger interest in the Western-dominated international system, Beijing is also insisting that the system be reformed: China should be given stronger influence; human rights should not be part of the international regime, etc. The outcome seems to be that while there is broad support for the basic principles of international economic exchange, anything that more politically transcends the sovereignty of the nation state is much more difficult to agree on. Yet, as long as Taiwan does not openly secede from China, war would seem to be a very unlikely outcome, although the situation particularly in the South China Sea is increasingly worrisome. Through the huge American market for Chinese goods and China's investments in the United States, the two countries—one the leading creditor, the other the biggest debtor—are bound together in a state of mutual dependence.

<sup>8</sup> See Aaron L. Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia* (New York: Norton, 2011). See also his "Hegemony with Chinese Characteristics," *The National Interest* (July/August 2011), 18–27.

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## How far will globalization go?

In some ways globalization will continue inexorably. The technological side of the process has been moving on more or less continuously for several centuries. One can only think of all the forms of communication that have developed in recent years. This process clearly will not stop. Yet, there is also a political side to globalization. In the interwar years, when fascism and communism were so strongly on the offensive, and protectionism made such inroads even in the leading democracies, globalization slowed down a great deal. Today, some groups support continued globalization while others try to fight it as best they can. This will obviously continue to be the case.

There appears to be a dialectical relationship between globalization and fragmentation. To some extent they grow stronger and weaker at the same time, although it has to be admitted that in recent decades the former has held the upper hand. The two processes also operate on different levels. Globalization is primarily, but not exclusively, economic while fragmentation is primarily, but not exclusively, political. Globalization dominates in the economy and in communications; politically, we see more and more states achieving political independence. We travel more and more, but as we travel it seems that most travelers strengthen their attachment to their respective nation states. Many different ideologies spread all around the world, but one of the strongest is nationalism, or even forms of political and religious extremism. There are dialogues between religions, but on the whole fundamentalism seems to be on the rise in most regions and religions, with the exception of Western Europe. Terrorism remains a problem. The smallest and most extreme groups may exploit the modern means of communication for their purposes. In the modern interdependent economy there no longer appear to be limits to how small a country may be and still survive economically.<sup>9</sup>

In certain ways we are all becoming increasingly alike. Technological modernization is taking place in all parts of the world. Even the most isolated terrorists exploit the most modern means of communication whenever possible. Certain symbols of globalization are found in the tiniest and most distant villages of the world. Economically, most of us want to increase our standards of living. Poverty in the world has been declining both relatively and in absolute numbers in recent years, particularly due to the immense progress made in China, and somewhat less in India, although there are still more poor people in India than in all of Africa added together. The fact that so

<sup>9</sup> I have written more about these complex problems in my "Why does globalization encourage fragmentation?" in *International Politics*, 41 (2004), 265–76. I have also been influenced by Ian Clark, *Globalization and Fragmentation: International Relations in the Twentieth Century* (Oxford: Oxford University Press, 1997) and many other works.

many of the rich countries are now struggling to maintain their standards of living and so many of the poorer ones are making huge economic progress indicates that we are all becoming a little more alike.

Politically, however, developments are more ambiguous. In many ways the world is becoming more similar even here. The norm of democracy and human rights is spreading. Political integration is being encouraged. A rudimentary form of global consciousness is arising, in that we all not only know much more than before about each other, but that we also care more about each other. If something terrible happens on the other side of the globe, more and more of us think that we have a responsibility to do something, through our governments, through various institutions and organizations, or on our own (or even all of the above). The network of intergovernmental and international organizations is proliferating. Amnesty, the Intergovernmental Panel on Climate Change, the Campaign to Ban Landmines, and an array of others work very actively to influence the governments of the world. Their success varies, but there can be little doubt about their growing influence.

Yet, there are many different kinds of outliers in the international system. The impotence of the center over the alleged periphery is demonstrated time and again. The United States kept a list of the “rogue states” of the world. These lists were passed on from one administration to the next virtually unchanged, illustrating Washington’s inability to do much about these governments.<sup>10</sup> North Korea has been violating all kinds of norms for international and national behavior for decades, without anyone—largely including even China—being able to bring about much change. Cuba is in a different class altogether compared to North Korea, but again it illustrates the point that although the colossus to the North, the United States, disliked what happened on the island from very soon after the revolution in 1959, it had very little influence indeed on what was happening there. Particularly in the 1970s, Cuba even intervened actively around the world. Zimbabwe ran its economy into the ground as Robert Mugabe was determined to hang on to power, decade after decade. Refugees poured into South Africa in particular. Again, there was little the world was able to do to bring about change. In Libya, Gadhafi had come to power in 1969. He tried to develop nuclear weapons; he succeeded in blowing up a large passenger plane, and committed other atrocities. For a while Washington tried accommodation with Gadhafi. In 2011 much of the Libyan population, with the assistance of the Western world and some Arab countries, finally got rid of him. Similar stories about lack of success could be

<sup>10</sup> The best account about the United States and “rogue states” is found in Robert S. Litwak, *Rogue States and US Foreign Policy: Containment after the Cold War* (Baltimore: Johns Hopkins University Press, 2000). See also his *Regime Change: US Strategy through the Prism of 9/11* (Baltimore: Johns Hopkins University Press, 2007).

told about isolated Burma and theocratic Iran, although there are now signs of serious change in the former. In Iraq, Saddam Hussein was removed in 2003, but at huge cost to the US.

Then there were the failed states of the world. “Failed” may give the false impression that there had been a prior state of success. In fact, fourteen of the twenty most failed states in the Failed States Index are African, and many of them, including Congo, Guinea, and even Nigeria, consisted from the first days of independence of tribes and groups with little sense of common identity or modern government. Since its collapse in 1991 Somalia has become the very symbol of a failed state, although pockets of stability could be found even here, as in Somaliland and in Puntland. In Rwanda and Cambodia the governments killed hundreds of thousands of their own populations without the international community doing anything of substance to stop them, although the problem here was not that the governments did too little—they did too much. Of course failed states are not limited to the African continent. Haiti has been a failed state for much of its more than 200 years of existence. Afghanistan is a special case in that here foreign intervention, in so many different forms, has been an important part of its sad history. Yemen has been more or less collapsing. East Timor has been struggling since the days of independence in 2002, despite its rapidly increasing oil wealth.

It is often difficult to distinguish between failed and rogue states. The whole definition of a rogue state, even in the academic literature, has been strongly influenced by what regimes in the world Washington disliked the most strongly. Most of the failed states are, however, primarily a threat to their own inhabitants, not to the wider world. Congo is a case in point, although the drawn-out war there brought in several of its neighbors, particularly Rwanda and Uganda, before 2002–3. The war that started in 1998 has killed thousands and thousands, although the estimates of as many as five million having been killed appear grossly exaggerated.<sup>11</sup> A “failed” state may well become a “rogue” state, as the growing piracy in Somalia illustrates. Terrorists have undoubtedly used Afghanistan, Somalia, and Yemen as base areas, but most forms of terrorism need some infrastructure as well to succeed. Al Qaeda is not a poor man’s organization, dependent as it is on funding and expertise from richer citizens. If Pakistan were to collapse into a truly failed state, that could have major international consequences because of its very sensitive geographical location and its nuclear weapons.<sup>12</sup> This may well be one of the true horror scenarios as far as the future is concerned.

<sup>11</sup> Joshua S. Goldstein, *Winning the War on War: The Decline of Armed Conflict Worldwide* (New York: Dutton, 2011), 16, 155–76.

<sup>12</sup> Again, most of the information about failed states is taken from *Foreign Policy* (July/August 2011), 46–57, 187. See also Stewart Patrick, *Fragile States, Global Threats, and International Security* (Oxford: Oxford University Press, 2011).

### Is there reason for optimism?

For the director of the Norwegian Nobel Institute, it is natural to end on a more morally explicit note. Is the world getting any better? In the light of the Second World War and the mass slaughters by Hitler, Stalin, and Mao it is of course impossible to give an unreservedly positive answer to that question. In a certain long-term historical perspective there would still seem to be reasons for optimism. As Oneal and Mueller point out, war, which has played such a prominent role in the history of mankind, appears to have virtually ended between major powers. International wars in general, involving two or more states, have become quite rare. The number of civil wars has also declined,<sup>13</sup> although it is still so high that it is difficult to be entirely optimistic about the future. Transitions from authoritarian to more democratic structures sometimes appear to stimulate conflict, as seen in the former Yugoslavia and in the Caucasus.

David Holloway, and particularly Olav Njølstad, are optimistic about the effects of the arms race since, in Njølstad's words, "Arms races, it seems, are less of a threat to international peace than to the economic well-being of nations." War has been banned almost entirely in a large "zone of peace" which has undergone no war since the end of the Second World War. Developments in Europe are most remarkable in this respect. After three major wars between Germany and France in the course of seventy years, war between the two has simply become impossible. The zone of peace has been widened now to include most of Europe. Democracy, the resolution of territorial disputes, and market economies have become requirements for membership in the EU. The wars in the former Yugoslavia illustrate that peace, even in Europe, is still a new experience. The very recent end to the "troubles" in Northern Ireland show that even in Western Europe continuities with the past are found.

Human rights and democracy have been spreading throughout the world. If we go back to the years between the First and the Second World Wars, democracy was a rare bird indeed outside North America and Northern Europe. The Second World War ended in the defeat of fascism and, we see now, also contributed mightily to the end of colonialism. Both outcomes strengthened democracy substantially. With India joining the democratic ranks immediately upon independence, the notion that democracy was an exclusively Western institution was undermined. The fall of the Soviet Union resulted in another wave of democracies. Despite a certain recession in the last few years, as seen in Russia, Thailand, and Nigeria, democracy today stands

<sup>13</sup> The optimistic case is presented in Goldstein, *Winning the War on War* and Steven Pinker, *The Better Angels of Our Nature: Why Violence has Declined* (New York: Viking, 2011).

relatively strong. In the G20, only China and Saudi Arabia have clearly authoritarian governments.<sup>14</sup>

Still, talk about human rights representing Western values in opposition to Asian or other regional values lingers. Asia is a huge and complex continent and its many countries actually have few things in common. It was, however, difficult to imagine anything as Asian that did not include India. While representative government may well be a Western invention, notions about various rights for the people existed in many cultures.<sup>15</sup> The growth of democracy in Taiwan, in South Korea, in Indonesia, in part in Thailand and Malaysia further weakened the Asian values argument. "Asian values" thus frequently became the defense of authoritarian rulers who did not trust their peoples to decide what rights they should have. Even some of those who argued in principle against such rights sometimes included them in their constitutions. This was the case even in China as well, although this certainly did not mean that the rights were respected in practice.

The United Nations and other international institutions have been strengthened. Of course the members of these institutions remained independent states. The old Great Powers had their vetoes; the new ones wanted similar rights. Many were the rogue states that continued their evil practices, protected by one or more of the Great Powers. Yet, slowly, norms and standards were developing that ever so incrementally strengthened peace, favored human rights, and promoted economic growth. History did not move in one direction only, however. In this respect the debate about Responsibility to Protect (R2P) was revealing. R2P was actually unanimously adopted at the 2005 World Summit. States had a responsibility to protect their populations from genocide, war crimes, ethnic cleansing, and crimes against humanity. The principles were invoked with surprising success in some situations, such as Ivory Coast and Libya, much less so in Syria. Yet, major differences remained about the application of these principles. The BRIC countries, supported by others, feared that Western-led interventions were just an excuse for regime change. The same issues had to be gone over again and again. The UN might accept the principle, but what it actually meant had to be defined in each separate case.<sup>16</sup>

<sup>14</sup> For an excellent survey of recent developments, see Larry Diamond, "Democracy's Third Wave Today," *Current History* (November 2011), 299–307.

<sup>15</sup> Amartya K. Sen has done much to enlighten us on this point. See for instance his *The Argumentative Indian: Writings on Indian History, Culture and Identity* (London: Allen Lane, 2005).

<sup>16</sup> See Alex J. Bellamy and Paul D. Williams, "The new politics of protection? Côte d'Ivoire, Libya and the responsibility to protect," *International Affairs*, 87:4 (2011), 825–50; Anne Orford, *International Authority and the Responsibility to Protect* (Cambridge: Cambridge University Press, 2011).

Poverty had been the norm in history. The European miracle in the seventeenth and eighteenth centuries was that growth became more or less self-generating. Despite continued downturns, the long-term trend was now firmly upward. Countries and individuals were finally able to make their ways out of poverty. Again, these developments were most clearly seen in Western Europe and North America. The climax of growth was reached in the thirty years after the Second World War. Growth was strong over a long period of time; recessions were very limited indeed; the growth affected most of the people in very positive ways indeed, and virtually no one was left out entirely.

There were those on the left who argued that the rich countries were getting rich at the expense of the poor ones. This argument assumed that there was a limited amount of wealth to distribute. If some had a lot, others would automatically have less. History tells us how the total amount has increased dramatically in the last few centuries. With the rise of, first, the Asian tigers of Hong Kong, Singapore, Taiwan, and South Korea, and then of Southeast Asia in general, and finally China, and even India, this argument was definitely put to rest. Countries could indeed move up the economic scale very rapidly. Japan had shown the way. South Korea went from poverty to Southern European standards in no more than a long generation. Others are following in its footsteps.

Poverty in the world is being reduced, both in relative and in absolute numbers. In recent years the number of poor people has actually been declining on all continents, probably for the first time in history—somewhat surprisingly in view of the economic difficulties in the most developed countries.<sup>17</sup> Still, about 1.3 billion people survive on 1.25 dollars per day or less, most of them in South Asia and Africa. In much of Africa there had for a long time been little or no growth, and even cases of dramatic decline were found because of war and incompetent government. Nevertheless, even here several countries were making good progress. Botswana represented the clearest example of strong growth over many decades, but after the turn of the millennium many others also experienced robust growth, not only the new oil countries. Pessimism about Africa, which had been so prevalent for so long, is on the wane, despite the recurrence of drought and famine, particularly on the Horn of Africa, where climate (in the form of lack of rain) and local politics (in the form of war) again and again resulted in the deaths of thousands. In more general terms, life expectancy has increased quite rapidly, child mortality has fallen, literacy has increased sharply, particularly among males, etc.

<sup>17</sup> "Global poverty: A fall to cheer," *The Economist*, March 3, 2012, 81–2.

Odd Arne Westad underlines the importance and even the independence of the world's many and diverse actors politically. The Third World has collapsed. Similarly, although there was much that seemed permanent, it was far from permanent who belonged to the center and who to the periphery in the world economy. As we have just seen, countries moved up, but they could also move down the economic scale. The clearest examples were found in Latin America, with Argentina in the lead. Into the interwar years, Argentina had been among the richest countries in the world, then the long downward slide started. The Soviet Union disappeared, in part because of its failing economy. Gorbachev's reforms only made the situation worse. Zimbabwe told the story of how a relatively prosperous country in Africa could fall into abject poverty in the course of a few decades. Production plummeted, inflation soared, the health system collapsed. Again, the different countries had more room to maneuver than the international framework would seem to suggest. In all cases the temptation was to blame some sinister outside force for the tragic outcome. The international system was important, but the primary explanations were almost always found inside the various countries.

As many of the countries of the South were making dramatic progress, growth in the North became more difficult to achieve. The growth rates declined after the thirty good years; inflation picked up because of increases in the price of oil and a few other commodities; governments refused to fully finance the many tasks they were now undertaking, resulting in growing debt. Public and private debt was one crucial dimension in the financial collapse in 2008. As Melvyn Leffler spells out in his fascinating contribution, more and more people saw the government that had assisted them previously as the explanation for their problems, not as the solution. In the new globalized and technologically so advanced economy, a minority experienced tremendous personal economic success. Huge amounts of money could be made at the touch of a button. Some were, however, losing their jobs, and suffering cuts in their public benefits. Many more were experiencing stagnant wages. It was no longer true that the children could always expect a higher standard of living than their parents had. Inequality was rising. Recurrent bubbles led to serious recessions, first in technology in the early 1990s and then, much more seriously, in housing after 2008. The markets did not seem so rational after all. In fact, as so many times before, governments had to save the situation.

There was no reason for arrogance and complacency. There were always wars going on. Thousands were losing their lives in these wars, relatively rare or not. Nuclear weapons had not been used in war after Nagasaki, but using them only one more time would be a catastrophe. Democracy was making progress, but the process was not irreversible, as several countries were showing. Russia was only one example of a country moving in the wrong direction. Kenya, long considered an African success, almost collapsed. Nigeria is in



## Conclusion: The Future

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serious trouble. China insisted on the undisputed leadership of the Communist Party, while Iran enforced the primacy of religious orthodoxy over democratic rights. Despite the economic progress, almost two out of five of the world's citizens were still living in poverty; 200 million—60 per cent of the population of Africa—had a calorie intake that was less than what was considered the subsistence level.

And the world had just barely started to address the basic environmental questions of human existence. At the national level some progress was made, but at the international level little was achieved. Some ambitious plans were drawn up, but rarely fulfilled. In 1850 the world's population had reached one billion, in 1930 it reached two billion, in 1974 four billion, and in 1999 six billion. It will probably reach nine billion before it stabilizes or goes down. With the population increasing, and with millions eating better, the price of food is going up. We are using more and more fossil fuels; slowly the temperature of the earth is rising—no one can be certain what the consequences will be.

Academics always try to fit the world into certain theoretical categories. These categories are useful steps toward a deeper understanding, but the world is never as parsimonious as many academics, particularly political scientists, try to present it. The world is, in fact, so incredibly rich and complex that it cannot be encompassed in simple formulas, if at all. History is full of surprises. Historians tend to think that history repeats itself. If it does, which is far from self-evident, it is almost impossible to find out what exactly it is that repeats itself.<sup>18</sup> Historians undoubtedly repeat themselves, but that is a different matter entirely.

<sup>18</sup> Ernest R. May has presented both sides of this issue. In *“Lessons” of the Past: The Use and Misuse of History in American Foreign Policy* (Oxford: Oxford University Press, 1973) he tells us how difficult it is to learn from history. In his and Richard Neustadt's *Thinking in Time: The Uses of History for Decision Makers* (New York: Free Press, 1986) he argues how easy it is to learn from history. The first book is very persuasive; the second became quite popular and won several awards.

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