Same Old Songs

What the Declinists (and Triumphantalists) Miss

Aaron L. Friedberg

For those who cut their professional teeth on the America-in-decline debate of the 1980s and early 1990s, the re-emergence of this topic in recent years has provoked feelings of nostalgia mixed with an undercurrent of anxiety. Now, as then, historical analogies are batted about with reckless abandon. Pessimistic prophecies are advanced from many quarters and, especially from the left side of the political spectrum here and abroad, with a certain grim satisfaction: An arrogant, overstretched America is about to get its comeuppance. Once again, debunkers have emerged (mostly from the Right) to challenge these predictions and to remind all who will listen of the American system’s remarkable resilience.¹

The fact that we know how this story turned out the last time around is reassuring to those of us who hope for the longest possible prolongation of American primacy. Surely the “declinists” will once again be sent packing and the United States will emerge from its present troubles even stronger than before. Perhaps; but perhaps not. The world today is obviously very different than it was two decades ago, and so too, in many respects, is the United States. The factors that permitted America to recover and rebound after the exertions of the Cold War may no longer be present. Just because previous predictions of decline were disproven does not mean that today’s will be. In the words of the familiar and newly poignant Wall Street warning, “Past performance is no guarantee of future results.”
Declinism to Triumphalism

Fear of decline is nothing new. Writing in 1989, as another cycle of worry approached its depths, Samuel Huntington counted four previous waves of national pessimism in the post-World War II era. In the late 1950s, Americans feared that they were falling behind the Soviet Union in the space race and the GNP race. In the late 1960s, the nation’s leaders believed that the lingering effects of the Vietnam War would constrict its capabilities even as new centers of power emerged in Europe and East Asia. A few years later, the 1973–74 OPEC oil embargo seemed to herald a new era of slow growth, high inflation and accelerated decline. By the end of the decade, the situation appeared even bleaker: The Iranian revolution set off a second oil price shock and a new economic crisis, even as the Soviet Union’s relentless military buildup and growing adventurism in the Third World, culminating in the invasion of Afghanistan, appeared to pose an increasingly sharp challenge to the United States.2

For Huntington, “declinism” served a vital, galvanizing function: It stirred the nation to redouble its efforts, change its ways and renew the deepest sources of its strength. Ronald Reagan’s initial decisions to cut taxes, reduce regulation and crush inflation as a spur to growth, while strengthening America’s armed forces and stiffening its stance toward the Soviet Union, appear in retrospect as classic illustrations of Huntington’s thesis. It would be an understatement to say that they were not universally so regarded at the time. To the contrary, as the 1980s wore on and the United States accumulated growing fiscal and trade deficits, many observers concluded that Reagan’s policies were actually accelerating the nation’s downward spiral.
The most influential statement of this view was Paul Kennedy’s *The Rise and Fall of the Great Powers* (1987). Drawing on examples from nearly half a millennium of world history, Kennedy concluded that the United States had fallen victim to the temptations of “imperial overstretch.” Decades of spending on military preparedness and overseas adventurism had deflected resources from productive investment, slowing the pace of economic growth and eroding the foundations of American national power. Like Great Britain before it, the United States had become a “weary titan”, staggering under the weight of its accumulated global commitments and bloated defense budgets. Instead of restoring its strength, the policies of the Reagan Administration were, in this view, the straws that broke the titan’s back.

Kennedy had the good fortune to see his book appear only weeks after the October 1987 stock market crash and a full two years before the collapse of the Soviet Union showed which superpower was actually suffering from “imperial overstretch.” Despite the dramatic and, from an American perspective, highly favorable shifts in the distribution of international power that accompanied the end of the Cold War, worries about decline persisted into the 1990s. Exhausted from its exertions, the United States was supposedly on the verge of being overtaken economically by Japan or by a unifying Europe (the rise of China had not yet pierced the declinists’ consciousness). Despite its obvious absurdity, some Western analysts rushed to embrace Mikhail Gorbachev’s self-exculpating claim, “I think we all lost the Cold War.” Another bit of conventional wisdom that would not stand the test of time was the notion that, as 1992 Democratic presidential candidate Paul Tsongas put it, “The Cold War is over and Japan won.”
It took the better part of a decade for the declinism of the late 1980s and early 1990s to fully dissipate. The collapse of Japan’s asset bubble and the prolonged economic slump that followed, Europe’s sluggish growth, and America’s IT-driven burst of productivity combined to ensure that the United States retained its place as the world’s number one economy. Meanwhile, in Iraq and again in Kosovo, the United States gave stunning proof of its ability to project devastating force across great distances, and of the widening gap between its own capabilities and those of any conceivable rival.

Despite all this, Americans were slow to grasp the full implications of the Soviet Union’s collapse. Among the first to do so was Charles Krauthammer, who announced in 1990 the end of the era of bipolarity and the arrival of the “unipolar moment.”\(^3\) In a similar vein, the much-criticized (if seldom read) 1992 “Defense Planning Guidance” paper of the outgoing George H.W. Bush Administration took note of the nation’s newfound preponderance of power and urged actions designed to prolong it by discouraging the emergence of a new rival on par with the Soviet Union.

But these were hardly mainstream views. It was only at the close of the decade that recognition of America’s unusual position became truly widespread. In a widely cited 1999 article political scientist William Wohlforth made a compelling case that the world was indeed unipolar and would remain so for some time. By the turn of the century, the issue on the minds of foreign policy elites was, in the words of future State Department Policy Planning Director Richard Haass, “what to do with American primacy.”\(^4\)
A Brief History of the “Unipolar Moment”

What is striking about the latest cycle of declinism is both its amplitude—how high assessments of American power were at the peak and how low they have sunk since—and the speed with which these changes occurred. The Bush Administration came into office confident of U.S. supremacy, especially in the military realm, and determined to preserve it. Its principals intended to do this by blocking the further spread of weapons of mass destruction, building missile defenses to neutralize small, “rogue state” arsenals and “transforming” the U.S. armed forces to prepare them for 21st-century warfare against future advanced opponents. Bush and his advisers were not eager to actually use America’s overwhelming power. To the contrary, they made much of their desire to avoid the kinds of ill-advised interventions and attempts at “nation-building” that they believed had characterized the Clinton years.

September 11 may not have “changed everything”, but it did change the Bush Administration’s orientation to U.S. national security. The attacks demonstrated America’s vulnerability despite its primacy, and they set in motion two dramatic displays of American power and resolve. The conquest of Afghanistan and the overthrow of the Taliban took about two months from a standing start, with virtually no advanced preparation and despite warnings of a quagmire like the one into which the Soviets had fallen in the 1980s. The run-up to the war in Iraq, and its initial phases, further heightened the perception of American strength and determination. Though it caused severe diplomatic trauma, the Bush Administration’s willingness to go to war despite objections from so many other countries was impressive in its own way, as was the ability of the U.S. military to
topple Saddam with very low initial casualties in just a few weeks. By the spring of 2003, it seemed to the rest of the world that the Americans were capable of bringing overwhelming force to bear whenever and wherever they chose.

Certainly this possibility was much on the minds of those with reason to think they might be next on Washington’s list. Included among them were: the Iranian regime, which, if the 2007 National Intelligence Estimate is to be believed, chose after the invasion of Iraq to suspend the more obviously military portions of its nuclear program; Libya’s Moammar Qaddafi, who decided at around the same time to give up his covert WMD programs; and North Korea’s Kim Jong-il, who agreed under Chinese pressure to enter into discussions concerning his nuclear ambitions in the spring of 2003.

Worried dictators were not the only ones who were impressed. Scholarly assessments of U.S. power rocketed skywards in the interval between the collapse of the Taliban and the fall of Saddam. In February 2002, Paul Kennedy concluded that America’s advantages were so huge as to be without precedent: “Nothing has ever existed like this disparity of power; nothing.” Commentators competed with one another to come up with suitably awe-inspiring historical parallels, but in the end, none seemed adequate. Even when it ruled the waves, Great Britain could not match its European rivals on land. Even Rome at its zenith was merely what would today be called a “regional power.”

It was during these months that observers on the Right, as well as the Left, began to speak of a new American empire. As it overturned foreign tyrants who aided and abetted terrorism, Washington would find itself having to impose order and
oversee the creation of new, preferably democratic, regimes. Rather than trying to evade this responsibility, Americans were urged to embrace it. After all, wrote conservative columnist Max Boot in early May 2003: “We’re going to be called an empire no matter what we do. We might as well be a successful empire.” This self-appraisal, so much at odds with the nation’s longstanding anti-imperial traditions, had resonance in some surprising places. According to journalist Ron Suskind, in the summer of 2002 an unnamed White House official told him bluntly: “We’re an empire now, and when we act, we create our own realities.”

In retrospect, the top of the market was probably reached on May 1, 2003, the day President Bush stood in front of a “Mission Accomplished” banner and declared the end of “major combat operations” in Iraq. From that point on, things skidded rapidly downhill. Within a matter of months, it was clear to those willing to see that the United States faced not a few “bitter enders” but a metastasizing insurgency it neither anticipated nor knew how to contain. Recognition of this fact set in motion what would become a steep downward correction in assessments of U.S. power, both at home and abroad.

As ethnic violence spiraled out of control, and as it began to seem that the American adventure in Iraq would end in ignominious defeat and retreat, decline again became the trope of the day. British writer Timothy Garton Ash captured the mood in the summer of 2006 when he bade “farewell to the unipolar moment of apparently unchallengeable American supremacy.” U.S. power was described as having reached a “nadir”, and, in an ironic reversal of their previous concerns, observers in Europe and Asia now worried that America’s sudden weakness, rather than its overwhelming strength, was “becoming a problem for the world.” By the
end of 2006, even Charles Krauthammer was forced to conclude that the United States was “past the apogee” of its unprecedented power.⁰ The unipolar moment was nearly over. A new era of multipolarity was at hand.

While there were some skeptics, by the end of the Bush Administration (and before the onset of the 2008 financial crisis), the idea that the United States had entered into a period of relative decline had gained widespread acceptance.¹¹ What was happening, as Fareed Zakaria explained reassuringly, was not so much that the United States was declining as that “everyone else” was rising.¹² In its periodic assessment of “global trends”, the CIA, which four years earlier had confidently predicted that America would “remain [the] single most powerful actor economically, technologically, [and] militarily”, now sounded a more diffident note. “Owing to the relative decline of its economic, and to a lesser extent, military power”, the CIA analysis explained, Washington would find its influence increasingly constrained. In the years to come, the United States would have “less power in a multipolar world than it has enjoyed for many decades.”¹³

From “Empire” to “Empire Falls”

So how did we get so quickly from Empire (the title of a well-received 2003 book by historian Niall Ferguson) to “Empire Falls” (an October 2006 Vanity Fair essay by the same author)? One part of the answer is that, like earlier predictions of impending decline, reports of American omnipotence had been greatly exaggerated. Some observers made the classic Political Science 101 mistake of equating “power as control over resources” with “power as control over outcomes.” Just because the United States has the largest economy and the most
powerful military does not mean that it can get everyone to do everything it wants all of the time. This is an obvious point, made painfully so by the events of the last few years. Still, it is too often forgotten.

Of the many possible sources of friction or “leakage” that can hinder the conversion of resources to outcomes, two in particular deserve note. Fearful of the possible economic and political consequences, national leaders are often reluctant to mobilize every ounce of potential strength to reach their objectives. Especially in a democracy, ratcheting up the level of commitment and exertion typically requires an act of political will. Even where the necessary resolve exists and ample resources are available, nations sometimes lack the skill required to apply them successfully. Thus the quality of their leadership, training and doctrine often matters even more than the size of their armed forces.

Iraq provides a recent example of both points. The level of manpower deployed there initially was a function not of any absolute limitations imposed by the size of the American population, but of a series of decisions by national leaders about how large U.S. ground forces should be and what fraction of them should be committed to the fight. Similarly, the inability of the United States to create some semblance of order in Iraq during the first three years of the war was not due solely to the inherent difficulty of the problem; it was a direct result of a counterproductive strategy stubbornly pursued during that period. By contrast, President Bush’s decision to initiate the “surge” at the end of 2006, against the advice of most experts, reflected an unusual exercise of political determination. The military’s subsequent success in stemming the violence in Iraq was likewise due to the ability
of a new group of U.S. commanders to formulate and implement a more appropriate counterinsurgency strategy.

Despite the gains that have been achieved since the start of the surge, Iraq remains the single most important factor in explaining the sudden re-emergence of declinism. If things had gone more smoothly following the initial drive on Baghdad, pundits of various persuasions would still be praising (and assailing) the new American empire. Needless to say, things did not go well, and that fact more than any other is responsible for unleashing the ongoing wave of despairing commentary.

Those who emphasize Iraq above all else tend to see the American experience there not as the product of avoidable errors with reversible consequences, but rather as an inevitable comeuppance for overreaching and the start of a precipitous and lasting decline in U.S. power. Various arguments have been made to support these claims, of which three are especially prominent.

First, some allege that the Bush Administration’s arrogance, unilateralism and violation of international norms squandered American “soft power” and set in motion a process of “soft balancing” which, unless Washington changes its ways, will lead eventually to “hard balancing”: the formation of real countervailing coalitions whose purpose is to neutralize American power. Second is the claim that the war in Iraq (along with the one in Afghanistan) has strained, exhausted and perhaps even “broken” the U.S. armed forces, especially the Army and Marines. Worse yet, by toppling Saddam, the United States may actually have accelerated the process of nuclear proliferation by convincing other rogue regimes (like North
Korea and Iran) that they must have nuclear weapons if they are to deter future American attacks. **Third**, in an echo of Paul Kennedy’s arguments from twenty years ago, some observers assert that the United States has exacerbated its long-term economic difficulties by turning huge budget surpluses into deficits, raising debt levels and diverting resources from productive investments to the imperial vocation.

Some of these assertions deserve to be taken more seriously than others. For example, the further spread of nuclear weapons will greatly complicate America’s ability to deploy and use its armed forces in several key regions. But this process, and the secret nuclear weapons programs of North Korea, Iran, Libya and Syria, among others, were already well underway before 9/11. Heightened U.S. concern about the possible implications of proliferation and the Bush Administration’s aggressive efforts to block it did not create the problem; they rather forced it to the top of the national security agenda.

Claims about the importance of “soft power” and “soft balancing” have likewise been greatly oversold. For one thing, the notion that the United States has lost something that it once had in abundance assumes the existence of a (mythical) golden age, when we found it easy to convince others to “want what we want.” Meanwhile the “soft balancing” coalition that some experts saw emerging in 2003–04 (consisting of Russia, Germany, France and China, among others) has failed to coalesce.

Arguments about the importance of “soft power” are now being put to the test. The Obama Administration has none of the stigma attached to its predecessor and has
made various gestures (such as announcing its intention to close the prison at Guantánamo, withdraw expeditiously from Iraq, and engage in direct diplomacy with Iran, Syria and North Korea) that are designed to re-establish America’s prestige and enhance its influence. Opinion polls show that the United States is more warmly regarded since the 2008 Presidential election. It remains to be seen whether any of this will be sufficient to cause the European nations to send more troops to Afghanistan, or to persuade the Russians to help squeeze Iran, or convince the Chinese to devalue their currency. One year on, the Administration’s charm offensive has produced few concrete results.

An intangible cost of Iraq that does not get the attention it deserves is the damage done to foreign perceptions of American competence in intelligence, diplomacy and military operations. This may have been partially reversed by the effects of the surge, but it will take a long time to rebuild. **Any illusion that the United States is all seeing, all knowing and unfailingly skillful has now been decisively dispelled.** Unfortunately, a more realistic assessment of American power by potential opponents cannot help but complicate future U.S. efforts to deter or compel them.

Aside from Iraq, another factor contributing to today’s pessimism is what Zakaria and others have labeled “the rise of the rest”, the rapid growth of non-Western economies relative to those of the advanced industrial nations. This trend is real, but despite what the phrase seems to suggest, it is hardly the engine of an omnidirectional diffusion of power throughout the international system. The “rest”
are not all rising, at least not in terms of their power in relation to the United States. While many smaller countries will become more productive and prosperous than they have ever been before, most of the projected growth in shares of total global output (a rough and ready first-order approximation of national power) is accounted for by a handful of countries: the so-called BRICs (Brazil, Russia, India and China). Of these, the last two are by far the biggest and most important.

The ongoing shift in the locus of the world economy toward Asia, and the projected emergence of China and India, in particular, as major economic and military powers, are hardly news. To the contrary, these developments have been predicted and tracked since before the end of the Cold War. Even under the most forward-leaning assumptions, however, they will take several decades to unfold. The 2003 Goldman Sachs study that serves as the basis for much recent discussion predicts that China will overtake the United States in terms of total output by around 2040. (India starts from further behind and will not close the gap until well into the second half of the century.) But it does so on the basis of the assumption that China’s GDP growth rate will decline smoothly and slowly as it develops, while the rate of growth of U.S. labor productivity (the most important driver of overall American economic growth) will flatline at lower than historic levels. To perform this well, Beijing will have to find ways to circumvent or solve all of the myriad social, economic, environmental and political problems that it faces without major setbacks or disruptions. If their government can pull off this trick, China’s billion plus people will still enjoy average per capita incomes only about a third as large as their American counterparts. Such a country may boast the world’s biggest economy and, like the Soviet Union, it may be able to pose a significant
military challenge to the United States, at least in the regions around its periphery. But it will still be a long way from true global parity in terms of standards of living, technological sophistication and political influence.\textsuperscript{14}

In sum, we are indeed headed into a world in which wealth and power will be more widely distributed. But this process has been unfolding now for several decades, and the trials and tribulations of the Bush years, even with the war in Iraq, have not affected much the nature and pace of change. Even assuming that “the rest” remain on track, what lies ahead is not true multipolarity, with three or more roughly equal powers, but something closer to a return to bipolarity, with China and the United States head and shoulders above the rest, and America still significantly ahead of China.

\textbf{Money Matters}

If not for the financial meltdown of late 2008, the election of Barack Obama would probably have marked an inflection point in the national mood and an upturn in foreign assessments of American power. Instead, the crisis and the severe recession that followed have reinforced the latest cycle of declinism, driving it to new depths. Pessimists warn that, like the global depressions of the 1890s and 1930s, this one too will accelerate underlying trends and hasten a restructuring of the international order. Some analysts now predict that the crisis will result in a permanent widening of the gap in long-term growth rates between the “West” and “the rest” and, in particular, between the United States and China, thereby speeding the latter’s bid to become the world’s biggest economy.\textsuperscript{15}
America’s economic troubles may also have a lingering effect on its ability to sustain an edge in “hard power.” Huge budget deficits, made even bigger by efforts to jump-start growth with massive stimulus packages and by the cost of new health and social programs, could put a powerful damper on defense spending for years to come. Just as China, Russia, Iran and North Korea, among others, are working hard to neutralize some of America’s long-standing military advantages, Washington may find it tougher to mobilize the resources needed to stay ahead.

Wall Street’s inability to police itself, with devastating consequences for the rest of the world, could also diminish America’s soft power by discrediting its model of liberal capitalism. More concretely, recent events may help to ease the United States from its place at the center of the global economy, weakening its position in international economic institutions and hastening the demise of the dollar as the world’s reserve currency.16

While it is too soon to dismiss these gloomy prognostications, the fact that the global economic nosedive appears to have leveled off provides some grounds for cautious optimism. The dollar will eventually have to share its role as a reserve currency with the euro and perhaps the renminbi, but as Barry Eichengreen has recently suggested, the shift will be gradual, and significant change remains far off. At least for the moment, the dollar has not lost its luster and has actually become more attractive in light of recent uncertainties.17 Despite a good deal of heavy breathing about the end of the American economic model, most of the emerging and advanced industrial nations appear more interested in improving the regulation of financial transactions than in finding an alternative form of—and still less an alternative to—market-driven capitalism.
U.S. defense spending will doubtless be constrained in the years ahead, but more as a result of politics than any iron law of economics. In other words, the limitations will reflect the current Administration’s taxation and spending priorities rather than an objective scarcity of financial resources. More worrisome than the absolute size of the defense budget is the likelihood that it will be heavily skewed toward fighting the last war. Focusing single-mindedly on preparing for the next counterinsurgency could leave the nation ill-equipped to cope with new nuclear weapons states or to counter China’s across-the-board military buildup.

The long-term impact of the current crisis will ultimately depend on how well the United States and the other major powers respond to the challenges it presents. If all revert to their pre-crisis growth trajectories, the effect on the evolving shape of the international system will be modest. If some bounce back more smartly than others, and if the changes prove lasting, the implications will reach further.

China and the United States are clearly the two most important players to watch in this regard. Beijing has generally received high marks for its initial responses to the first serious economic setback it has suffered in nearly two decades. Nevertheless, while China’s economy has not contracted like those of the more advanced industrial nations, the drop in its annual growth rate puts it below the 7 percent level that has long been considered the minimum needed to maintain employment and preserve social stability. If a turnaround does not come quickly, a prolonged period of relatively slow growth may trigger major social and political crises in China, perhaps derailing its rapid progress and knocking all predictions about its future rise into a cocked hat.
And what of the United States? Here again it is too early to say. There is a real
danger that the crisis will lead to an increase in the government’s role in the
national economy, rising tax burdens, pork-barrel spending, protectionism and
restrictions on immigration, all of which together would slow growth and bring the
declinists’ predictions closer to fulfillment. However, recent events could also
stimulate a new wave of “creative destruction” in finance and manufacturing, a
lasting rise in the national savings rates, selective increases in government
spending on infrastructure modernization, education and basic science, and new
incentives for private investment in energy, information and biotechnology.

As was true in the late 1980s, it would be unwise to bet against the resilience and
adaptability of the American system. But it would be a mistake also to take these
qualities for granted, or to assume that they will preserve us indefinitely and
without effort from the experience of relative decline.

1My contribution to this debate was *The Weary Titan: Britain and the Experience
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*Source: http://www.viet-studies.info/kinhte/Friedberg_Delinist_AI.htm*