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AMERICAN LEADERSHIP POTENTIAL IN THE POST-COLD WAR WORLD

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For roughly fifty years since the end of World War II the United States has provided global leadership to the West and western-aligned nations of the world. The enabling factors of this leadership were direct results of the war. These factors included the political and economic ruin of Europe and Asia, the overwhelming industrial/economic strength and political stability of the U.S. relative to the rest of the world and the need for a U.S. economic, political and military umbrella in the face of an ideologically antithetical and militarily potent Soviet Union. In short, the U.S. has led the western world because it possessed the resources and interest to do so and because of the western perception of a common threat.

However, with the demise of communism as a viable ideology and the disintegration of the Soviet Union, critics of the American leadership role are speaking with an increasingly loud, if not unified, voice. The lack of a unifying threat has caused rising powers, notably the former World War II antagonists, to question their own roles in the world order while simultaneously causing many Americans to turn introspective. Domestically, the question of what price global leadership has risen to the fore. Perhaps a better question, however, is what price the failure to lead.

Whether or not one subscribes to the concept of a "new world order", with its myriad interpretations, the fact remains that the situation President Bill Clinton inherited from George Bush on January 20, 1993 was profoundly different from that which has driven U.S. foreign and security policy since 1945. Gone is the tangible threat of the Soviet Union and gone with it is the comfortable guiding hand of the containment policy.

What then should be the role of the United States at the turn of the

21st century? The National Security Strategy of the United States, published in the final hours of the Bush administration and, to date, apparently accepted by the Clinton administration, states the objectives for U.S. policy as: 1) the survival of U.S. values, institutions and population; 2) Global and regional stability; 3) An open worldwide trading and economic system; 4) Open, democratic and representative political systems worldwide; and 5) An enduring global faith in America - that it can and will lead in a collective response to the world's crises.[1] Thus, U.S. interests have been defined as leadership, stability and the promotion of American political and economic values.

Arguments regarding the viability or utility of this leadership role take many forms and tend to raise more questions than they answer. The premise of this paper is that it is in the United States' interest, and indeed the world's, for America to pursue the leadership role. As stated by Joseph Nye in Bound to Lead, "If the largest country in the world abdicates leadership (as the United States did in the 1920s), the results can be disastrous for all."[2] Or, put another way by President Clinton in remarks at the John F. Kennedy Library, "Unless we work to shape events we will be shaped by them, often in ways that put us at great risk."[3]

United States leadership of the post-Cold War world is not, however, an inevitability. Critics of American leadership point to US economic and social decline, the futility of trying to maintain primacy in a changing world structure and the apparent fact that domestic concerns and leadership costs require a retreat from international affairs, a figurative and literal policy of "bringing the boys home."

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[1] National Security Strategy of the United States (January, 1993), 3.
[2] Joseph S. Nye, Bound to Lead: The Changing Nature of American Power, (New York: Basic Books, 1990), 16.
[3] President William Clinton as quoted by Brit Hume in National Review, (November 29, 1993), 22.

The questions that must be answered are therefore twofold. First, is America in decline, will it have the power resources to lead? Second, what is the developing structure of the world order and is it conducive to U.S. leadership? The first question primarily concerns domestic sentiment while the second addresses external concerns. Together they help to determine America's leadership potential.

THE QUESTION OF DECLINE

The idea of the United States in decline is by no means a recent phenomenon. As Samuel Huntington demonstrates, there have been at least five "waves of declinism" since 1950. The stimuli for these declinist periods include the launching of Sputnik in 1957, Nixon's proclamation of the end of the bipolar world, the 1973 Arab oil embargo and the subsequent "energy crisis", increased Soviet interventions in the 1970s and 1980s and the most recent concerns about America's fiscal and trade deficits exacerbated by the perception of Japanese economic warfare.[4] While only the most recent arguments will be addressed here, it is important to remember that "previous reports of America's death have been greatly exaggerated."

Throughout the mainstream media and academic works a woeful tale of American decadence emerges, not without plausibility. By October, 1993 the U.S. national debt was over $3.5 trillion or nearly 59 percent of Gross Domestic Product.[5] The American educational system is in disarray and continues to lag behind those of most industrialized nations, notably Germany and Japan.[6] American elections increasingly turn on debates over crime,

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[4]Nye, 13. See also Samuel Huntington, "The U.S. - Decline or Renewal?," Foreign Affairs, (Winter 1988/89), 94-95.
[5]U.S. Council of Economic Advisors, "Economic Indicators" (Washington, D.C.: Government Printing Office, October, 1993), 32.
[6]Time, "Losing An Edge," (July 20, 1992), 19.

racism and the economy as the average citizen becomes more engrossed in domestic issues.[7]

In general, three themes have emerged to support the declinist view. Again from Huntington:

> - First, mounting U.S. fiscal and trade deficits which, to date, the U.S. political system has shown no signs of being able to control;
> - Second, continuing and even accelerating declines in US shares of global economic power and in U.S. rates of growth in key areas of economic performance;
> - Third, sustained systemic weaknesses, including research and development, primary and secondary education, production of scientists and engineers, and, most seriously, savings and investment.[8]

The most frequently cited root cause of American economic decline has been the massive military buildup of the Reagan administration alternately caused by or resulting in, depending on who is arguing, a thinning of American power resources at home and abroad. Alternatively stated, U.S. commitments abroad, especially military commitments, are outpacing the nation's ability to service them and, consequently, are threatening the domestic standard of living and economic growth. This is the basis for historian Paul Kennedy's theory of "imperial overstretch" (as well as the underlying theme of his best selling book The Rise and Fall of the Great Powers).

> The difficulties experienced by contemporary societies which are militarily top heavy merely repeat those which, in their time, affected Phillip II's Spain, Nicholas II's Russia and Hitler's Germany. A large military establishment may, like a great monument, look imposing to the impressionable observer; but, if it is not resting upon a firm foundation (in this case a productive national economy), it runs the risk of a future collapse.[9]

Thus, the declinist argument can be distilled somewhat to say that

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[7] New York Times, "Perennial Issues Dominate Debates in Local Elections," (October 31, 1993), A1.
[8] Huntington, 78.
[9] Paul Kennedy, The Rise and Fall of the Great Powers, (New York: Vintage Books, 1987), 444.

widely held U.S. interests abroad during the Cold War led to massive military and foreign aid expenditures. These interests, in turn, caused major deficits threatening both the domestic economy and the continued great power status of the United States. Furthermore, the argument is lent an air of historical inevitability by citing analogies to the rise and fall of past great powers.[10]

Although the declinist arguments are plausible, further analysis is necessary before resolving that the U.S. is just another has-been on the ash heap of world history. Optimists, such as Nye and Huntington, provide equally compelling arguments for America's revival.

Concerning the economy, Huntington correctly points out that fiscal and trade deficits were not major problems prior to 1982. He argues effectively that they came about not as a result of flaws in the American economic system but due to flaws in the Reagan economic policies. Hence, it is logical to assume that new policies can reverse the trends and bring the deficits under control.[11]

Writing in 1989, he further argued, perhaps prematurely, that positive signs of a declining trade deficit were already evident and that Bush administration pledges to attack fiscal deficits showed promise. Regardless of the fruition of the predictions, the fact that some gains were made in 1989 (the trade deficit continued to improve through 1992 before worsening to its present state) lends credence to his argument that a turnaround can be achieved.[12] He is equally quick to point out, however, that debt reduction will be a long term endeavor and the effects will be felt for some time yet. "It is a mistake to view [fiscal and trade deficits] as open sores that will

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[10]Nye, 3.
[11]Huntington, 79.
[12]Recent events vis a vis Japan hold great promise for a return to the pre-1992 trend and indicate how the U.S. can turn the trade deficit around. See New York Times, "U.S. Taking Action Against Japan in One Trade Case," (February 15, 1994), A1.

continue to bleed away American strength. They are wounds that will heal, although their scars will remain."[13]

To understand declining U.S. market shares it is necessary to return to 1945. At the conclusion of World War II the US was physically unscathed, industrially and politically vigorous, and singularly powerful relative to the other pre-war powers which all lay in some degree of ruin. Until the mid-1950s America enjoyed a lopsided economic advantage enabling it to produce nearly fifty percent of the gross world product. However, erosion of this market share, or "World War II effect", was inevitable.[14]

After a severe drop off from the mid-1950s to 1970, the U.S. share of world product has held more or less steady at between 22 and 25 percent, while its share of world exports has stabilized at around 12 percent.[15] While these numbers do not reflect the recessionary period of 1990-91, current economic indications remain consistent and favorable. The U.S. economy continues to grow slowly but steadily with many key indicators hitting their highest points since 1990. Overall, the U.S. economy is still the largest in the world and, coupled with the economic sluggishness of Germany and Japan, continues to grow in relative and absolute terms.[16]

American "systemic weaknesses," as Huntington calls them, are more difficult to dispel in part because they are less quantifiable and their causes are arguably nebulous. Low savings and investment rates are a peculiarly American problem. Americans are consumers.[17] Historically, however, this has not grossly affected economic growth rates. Additionally,

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[13]Huntington, 81.
[14]Nye, 5.
[15]Huntington, 82.
[16]See The Wall Street Journal, "Giant Under Stress," (November 4, 1993) A1; "Nervous Nikkei," (November 16, 1993), A1; "Industrial Output Climbed by 0.8% in October," (November 16, 1993), A2; and "Trade Gap Data Don't Always Reflect Solid Surplus from Exports of Services," (November 22, 1993), A2.
[17]Huntington, 87.

tax and fiscal policies designed to combat the national debt should have a favorable impact on saving and investing tendencies.

Deteriorating primary and secondary school systems are certainly a cause for concern. However, this is increasingly being served up as a front-burner political issue. In the meantime, the U.S. arguably retains a vast superiority in its college and university systems.[18]

The predominant declinist argument, and perhaps the most dangerous, cites overexpenditure for military purposes and foreign involvements as the leading cause of American decline. A look at defense expenditures as a percent of Gross National Product shows a different story. The recent expenditures of about six percent are considerably lower than in the 1950s (10 percent) or even 1970 (8.5 percent) and promise to go even lower as further post-Cold War defense cuts are made.[19] This would seem to lend further credence to the argument that Reagan fiscal policies were the culprit not U.S. foreign involvement. The inherent danger of the argument is its potential to cause Americans to retreat from the international scene in favor of a new isolationism.

The handy declinist citations of analogies to past great powers in decline are useful as cautionary tools but often come up short in true comparisons to the U.S. While the American situation today does bear certain often striking similarities to 18th century France and 19th century Great Britain, the U.S. is neither of those countries. The differences in size, population, natural resources, industrial development, political stability and geographic position, not to mention the increased interdependence of nations in the modern world, are enough to discredit too close a comparison.

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[18] Huntington, 89.

[19] Nye, 11. See also U.S. Department of Defense, "Bottom Up Review," (September, 1993) and "Defense Planning Guidance, FY 1994-1999," (May 22, 1992).

Likewise, comparisons of the U.S. with current powers, such as Germany or Japan, also miss the mark for similar reasons as well as others. Too often, when bemoaning the position of the US vis a vis Japan or Germany, Americans forget that these states have problems too. We fear German and Japanese economic competition while forgetting that they must contend with our competitiveness as well as that of other industrialized nations. In addition, Germany is suffering the tremendous burdens of reunification while ever mindful of its physical proximity to the still militarily potent (and politically unstable) states of the former Soviet Union, particularly Russia. Japan, on the other hand, is a physically small nation with few natural resources and a small, aging population also in close proximity to a military giant. Neither Germany nor Japan is twelve feet tall.

Perhaps the greatest strength of the United States, and one not likely to be challenged for decades, is its balanced power.

> In contrast to other countries, the United States ranks extraordinarily high in all the major sources of national power: population size and education, natural resources, economic development, social cohesion, political stability, military strength, ideological appeal, diplomatic alliances, technological achievement. It is, consequently, able to sustain reverses in any one area while maintaining its overall influence stemming from other sources. At present, no country can mount a multidimensional challenge to the United States and no country seems likely to be able to do so in the relevant future.[20]

There is no doubt that America is less powerful today than it was fifty years ago. However, as the arguments above demonstrate, most of this decline has been relative and natural in light of the "World War II effect". It is far too easy to be pessimistic. Historically, when properly motivated, Americans have risen to solve their crises. There is no reason to believe

[20] Huntington, 91.

that they will not do so again. "The U.S. is unlikely to decline so long as its public is periodically convinced that it is about to decline. The declinists play an indispensable role in preventing what they are predicting."[21]

The preceding discussion is not intended to belittle the very real and pressing problems facing the United States. However, to embrace the declinist arguments is tantamount to accepting a self-fulfilling prophecy. America does have the capacity to overcome its present difficulties and, with proper domestic guidance, can maintain its world leadership role into the 21st century.

THE STRUCTURAL QUESTION

At present, with the demise of the Soviet Union and the bipolar structure, the United States is left as the only true superpower. It is the only nation possessing a well balanced array of power resources as defined by Huntington above. Consequently, one must next question whether others are likely to attain this status, whether they will compete for a leadership role and, ultimately, whether U.S. interests are served by trying to preserve such a role.

Taking the last question first, there has been much discussion since the Clinton inauguration about America's need to maintain primacy. In an address at Johns Hopkins University, Assistant to the President for National Security Affairs Anthony Lake reiterated America's dominant position and stated that "our interests and ideals compel us not only to be engaged, but to lead." While he was specifically addressing the economic aspects of leadership via an

[21] Huntington, 96.

"enlargement of the world's free community of market democracies,"[22] the Defense Planning Guidance for Fiscal Years 1994-1999 similarly addressed military aspects by defining U.S. goals as "to preclude any hostile power from dominating a region critical to our interests, and also thereby to strengthen the barriers against the reemergence of a global threat to the interests of the United States and our allies."[23] Hence, it is apparently America's intent to remain number one.

There are, however, serious challenges to its ability to do so. As discussed, the U.S. has suffered considerable relative decline since the 1950s. By definition that means that some states have been gaining in relative power. "The power of states grows at differential rates. Thus, in relative terms, some states are gaining power while others are losing it."[24]

Additionally, the nature of power itself is changing. While still important, the monetary and social costs of military intervention have seemingly reduced its utility. In the face of rapidly increasing economic interdependence, geographic position, while arguably still germane in military terms, is withering as an economic defense. The globalization of economies, the rise of information-based technologies and the increased exportability of services have rendered obsolete the notions of insularity enjoyed by previous world powers. This includes not only physical insularity, but the figurative insularity of isolationism. As President Clinton noted in an address at American University:

> "...we are now woven inextricably into the fabric of a global economy. Imports and exports, which accounted for $1 in every $10 when I was growing up, now

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[22] National Security Advisor Anthony Lake quoted from an address presented to the Johns Hopkins School of Advanced International Studies, Washington, D.C., September 21, 1993.
[23] Defense Planning Guidance, 2.
[24] Christopher Layne, "The Unipolar Illusion," International Security, (Spring, 1993), 10.

> represent $1 in every $5. Whether we see it or not, our daily lives are touched everywhere by the flows of commerce that cross national borders as inexorably as the weather.[25]

Most involved with the study of international relations doubt that the U.S. can maintain absolute primacy for very long. Rather, we are in a period of transition, a "unipolar moment", which will inevitably give way to some other structure at the start of the next century.[26] The reasons for this are manifold, but most compelling is the idea that singularly powerful nations, no matter how benign, are feared for their capabilities and the uncertainty of their continued benignancy. "Balance of power theory leads one to predict that other countries, alone or in concert, will try to bring American power into balance."[27]

True unipolarity is also diminished by other factors. Beginning in the immediate post-World War II period, America began its relative decline by diffusing much of its power to those states which have ultimately grown to challenge it. By extending defense obligations and accepting less than favorable trade positions vis a vis Europe and Japan, in order to revive their stature as allies in containment, the U.S. deliberately reduced its own relative superiority. In the process, the reviving states were allowed to "free-ride" militarily and economically. Under the wing of America, Europe (especially Germany) and Japan were freed of the burdens of paying for their own security which thus allowed them to shift resources into more productive arenas.[28] America's expense was its competitors' gain.

The very success of America in the post-war years also created the stimuli for its competitors. If imitation is the sincerest form of flattery,

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[25] President William Clinton quoted from an address presented to American University, Washington, D.C., February 26, 1993.
[26] Layne, 7.
[27] Kenneth N. Waltz, "The Emerging Structure of International Politics," International Security, (Fall 1993), 53.
[28] Layne, 34.

Americans should indeed be flattered. As Kenneth Waltz cites, "competition produces a tendency toward the sameness of the competitors."[29] By emulating U.S. successes and avoiding its failures, the competitor nations have employed the "sameness effect" to avoid making costly mistakes thus, in effect, using the U.S. as a test bed.

Does all this mean, however, that America's competitors wish to challenge U.S. leadership? This is not completely clear. Certainly Germany, Japan and, increasingly, China believe that their status has earned them a say in international outcomes. Their own citizenry will likely demand as much, as their economic capabilities have placed them in the center of regional and global affairs.[30] Does this mean, however, that Europe and Japan wish to break free of a US that apparently can no longer protect them? As impressive as their respective powers are, all are found lacking in some or several areas.

Taken individually, it can be shown that none, with the possible exception of China, possesses the spectrum of qualities which affords America its superpower status. Japan, the economic giant, is, as discussed earlier, vulnerable with respect to size, population and accessibility to natural resources. If military power is included in the equation, and it should be, it becomes extremely doubtful that Japan will seek that true superpower status.

When Saddam Hussein's tanks rolled into Kuwait City in 1990 few realized immediately the shock waves that would be felt in Tokyo. As the world community coalesced in opposition to Iraq, Japan came under intense pressure to contribute to the effort relative to its status as an economic

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[29]Kenneth N. Waltz, Theory of International Politics, (New York: McGraw Hill, Inc., 1979), 127.
[30]Waltz, "The Emerging Structure of International Politics," 64-66.

superpower.[31] While Japan eventually contributed approximately $10 billion to the coalition effort, this was achieved only after intense public and governmental debate over the legality of aiding an armed conflict. No troops were sent and the money was offered only on the condition that it be used for non lethal purposes. Ultimately, due to the length of the debate, the authorization for this aid was not passed until after the cessation of hostilities.[32] Japan's seeming ineptitude in dealing with this crisis evoked scorn from many and caused no small embarrassment to its foreign policy apparatus.

Whatever faults Japan may have exhibited during this episode, the origins of the problem, and a source of concern for advocates of Japanese leadership, can be traced to 1947 and the post-war constitution arguably thrust upon Japan by the United States. In Article 9 of this constitution Japan agreed to:

> "...forever renounce war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes.
>
> In order to accomplish the aim of the preceding paragraph, land, sea and air forces, as well as other war potential will never be maintained."[33]

This now famous "peace clause" coupled with Japan's distrust of the military (arising from the events of the 1930s and 1940s) have led to a pervasive pacifism in Japan. This popular pacifism and a political structure ill equipped to deal with rapid decision making created uncertainty in 1990 and continues to hobble Japanese attempts to assume a leadership role in international affairs. Likewise, it has proven difficult to surmount in any domestic argument for rearmament.

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[31] Courtney Purrington, "Tokyo's Policy Response During the Gulf War," Pacific Affairs (Summer 1992), 168.
[32] Purrington, 164-165.
[33] David Maswood, Japanese Defence: The Search for Political Power, (Singapore: Institute for Southeast Asian Studies, 1990), 2.

According to Peter Katzenstein and Nobuo Okawara writing in International Security, "The overwhelming majority of Japanese have been skeptical of any radical departure from the status quo. The public favors economic strength, peaceful diplomacy, and a low key, consensual approach; it does not think very highly of the Self Defense Forces; and it overwhelmingly supports Article 9 of the constitution."[34]

To date, Japanese rearmament has been an imperative, not of Japan but, of the United States. Begun as an effort to shore up America's Asian flank against the Soviet Union, Japanese rearmament accelerated in the 1980s out of US economic concerns. Alarmed by Japan's growing economic rivalry and America's relative economic decline, the U.S. came to view Japan as a "free rider" on the coat tails of American military might (and American military expenditures).

Through rearmament, so the logic went, Japan would be forced to provide for its own defense. The commensurate defense expenditures would, at once, detract from economic programs, reduce the U.S. regional defense burden and improve America's trade imbalance (through U.S. sales of arms to Japan) thus weakening the rivalry. While the efficacy of this strategy is somewhat suspect, it does help to explain the existence of Japan's fairly impressive military capability.

As the Japanese fear a return to their militaristic past, so too do most northeast and southeast Asian nations, all of which, at one time or another, suffered grievously under Japanese domination. As described by Seth Cropsey in Policy Review:

> "Japanese rearmament would cause such upheaval throughout the rest of Asia that it is almost

[34]Peter Katzenstein and Nobuo Okawara, "Japan's National Security: Structures, Norms and Policies," International Security (Spring, 1993), 101.

> certainly not in Japan's own interests.
>
> Were Japan seriously to embark upon a major plan to rebuild their national defenses today, other Asian countries that have already been occupied in ambitious armament programs for the last decade would redouble their efforts."[35]

Thus, in addition to being domestically unpalatable, Japanese rearmament would rekindle old fears among its neighbors, alienate trading partners, openly challenge a militarily potent China, possibly fuel a regional arms race and certainly prove counterproductive to Japanese regional economic imperatives.

Germany, while enjoying greater access to natural resources, suffers many of the same defects as Japan. Perhaps not as pacifistic as Japan, the reunified Germany is viewed with much the same anxiety by its neighbors, especially France, thus limiting its ability to rearm. Additionally, one of the consequences of reunification itself has been to burden Germany with what amounts to a huge "money pit" in the east. Suffering through its second year of recession, Germany is saddled with continuing inflation and a highly regulated labor market further exacerbating a 9 percent unemployment rate.[36] Such internal problems would indicate that it will be some time before Germany alone could challenge the U.S. for global leadership.

On the other hand, a unified European Community with a strong, reunified Germany at its center would conceivably possess all of the requisite power resources in abundance. But, while strides toward economic unity have been enormous, political unity remains elusive.[37] The Maastricht Treaty of December, 1991 is but the latest in a series of initiatives aimed at European union. Indeed, such initiatives may be seen as dating from 1946 when Winston

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[35] Seth Cropsey, "Uncle Samurai: America's Military Alliance with Japan," Policy Review (Fall, 1991), 26.

[36] See The Wall Street Journal, "Germany Seeks to Expand Part-Timers, Looking to Dutch Model for Answers," (February 25, 1994), A8; and "Looking For Work: In Employment Policy America and Europe Make a Sharp Contrast," (March 14, 1994), A1.

[37] Nye, 154.

Churchill proclaimed the need to "create the European family anew in a regional structure that will perhaps be called the United States of Europe."[38] Since that time the Treaty of Paris, the Common Market and the Single European Act have arguably pursued this course with modest success. However, it was Maastricht, engineered by Germany's Kohl and France's Mitterand, that was to be the launch pad for the final leap to European unity. Built upon concessions by both of the major continental powers, Maastricht was to solidify economic union by reducing economic barriers to trade, capital and employment and, ultimately, creating a central bank and a common European currency by 1999. Additionally, it was to provide the initial foundation for a collective foreign and security policy apparatus among the 12 member European Community.[39] Alas, the reality has proven to be quite different from the construct.

Uncertainty over the EC's ability to ratify the treaty, the high costs of German reunification, differing economic needs of the EC states and rampant currency speculation which all but destroyed the exchange rate mechanism designed to ease fluctuations of intra-EC exchange rates have pointed up numerous problems with the Maastricht timetable, if not the concept of union.[40] What has emerged instead is a reality check for the political elites of Europe.

In a Financial Times survey, reprinted in the Economist, the percentage of people polled who were "very much in favor of the unification of Western Europe" showed a plurality in only one of the twelve EC nations. That nation, Portugal, was the second poorest with respect to per capita GDP. This trend

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[38] World Press Review, "Divided They Stand: Europeans Step Back From Unity," (August, 1992), 14.
[39] Ronald Tiersky, "France In the New Europe," Foreign Affairs, (Spring 1992), 140.
[40] The Economist, "Europe's Future," (August 7, 1993), 21.

was repeated throughout the survey with the wealthier nations possessing the lowest percentages of those strongly in favor of union and seven of the twelve achieving strong support from less than a third of those polled.[41] This points up not only a possible disconnect between the political elites and their electorates but a potential rift between the relative haves and have-nots of the EC over questions of sovereignty.

The foreign policy arena has produced even less progress. Differences over how to deal with the barely viable eastern democracies of the former Warsaw Pact states, seeming impotence over the Balkan crisis and a growing economic and political refugee problem from the east and south defy consensus solutions.[42] Taken together these economic and political stumbles suggest that self-interest and even individual state nationalism are still viable obstacles to European union.

This is not meant to suggest an end to the European quest for unity. The fact that union has not yet happened, even that it has suffered major setbacks, does not mean failure. On the contrary, Europe is far more integrated today than it was twenty or even ten years ago. However, the ability of Europe to develop a cohesive economic, political and foreign policy apparatus capable of amassing the resources to challenge U.S. leadership is, at best, decades from realization. Until that time it is in the United States' interest to remain engaged in Europe. Through active participation the U.S. can shape the unification process, help reduce nationalistic tendencies and fears, and guide Europe along a path more favorable to American interests.

Finally, indications exist that Europe has no immediate desire to

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[41] World Press Review, 10.
[42] Walter Goldstein, "Europe After Maastricht," Foreign Affairs, (Winter 1992/93), 126.

supplant America's leadership role. Indeed, in a speech before U.S. governors in February, 1994, German Chancellor Helmut Kohl urged continued American global leadership stating that "the world continues to pin its hopes on the U.S."[43]

China would appear to be the Crown Prince among emerging powers. In power resources such as population, size, military strength (by sheer numbers as well as nuclear capability) and natural resources it is already "amply endowed and its potential is still not fully tapped."[44] Economically, it is becoming the latest "Asian Miracle" in the image of Japan, South Korea, Thailand and others. Through the reforms of Deng Xiaoping, including managed privatization, increased entrepreneurship and the creation of financial markets along western lines, China has enjoyed an average real GNP growth of around 9 percent per annum since 1978.[45]

China's leap from regional to global power is not without challenges. An archaic infrastructure, especially in the communications, transportation and energy sectors, threatens to, if not derail the economic locomotive, at least slow it down.[46] Additionally, China, which has relied for the past fifty years on the cults of personality of Mao Zedong and Deng Xiaoping for leadership, will inevitably soon face a crisis of succession as the octogenarian Deng passes from power.[47] However, these difficulties should not be seen as debilitating to China's emergence. On the contrary, left to its reform program, China may very well present the foremost challenge to U.S. global leadership in the 21st century.

In hearings before the Senate Foreign Relations Committee, Assistant

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[43] The Wall Street Journal, "What's News," (February 1, 1994), A1.
[44] Nye, 135.
[45] William H. Overholt, China, the Next Economic Superpower, (London: Weidenfield and Nicolson, 1993), 12-15.
[46] Overholt, 37.
[47] Robert B. Oxnam, "Asia-Pacific Challenges," Foreign Affairs, (America and the World Special Edition 1992/93), 64-65.

Secretary of State for East Asian and Pacific Affairs-designate Winston Lord outlined current U.S.-China policy issues as 1) human rights abuses; 2) arms and related technology exports; 3) a trade deficit second only to Japan; 4) collaboration at the United Nations; and 5) the environment.[48] The inherent difficulty in dealing with these issues is that initiatives in one area inevitably conflict with those in other areas. As such, the U.S. must take a balanced approach toward China by being firm without appearing overly aggressive or arrogant.

The 1989 Tiananmen Square repression, while perhaps a small drop of water over the dam in the context of history, points up the very real consequences of the failure of U.S.-China policy. Coupled with a perceived hostility from an over-demanding United States, any domestic setback could result in a departure from Deng's reforms, a return to a more conservative regime and possible intervention by the military.[49] This would likely lead to intraregional nervousness, accelerated rearming throughout Asia, instability and, possibly, the onset of a new cold war mentality.

Presently, the U.S. is in a unique position to promote Chinese domestic political reforms as well as regional stability while simultaneously achieving its own foreign policy agenda. Chinese internal conditions and American human rights concerns are both served by continued economic growth and the political liberalization which accompanies it, albeit slowly. Arms exports can be dealt with on a case-by-case basis by banning exports of dual use technology which, as Overholt suggests is "appropriate because it targets the specific problem rather than the overall relationship."[50] On the trade front,

[48]Winston Lord quoted from confirmation hearings before the Senate Foreign Relations Committee, Washington, D.C., March 31,1993.
[49]Overholt, 246. See also New York Times, "Fear of Chaos Deep Within Chinese Leadership," (March 14, 1994), A3; and "China Rejects Call From Christopher for Rights Gains," (March 13, 1994), A1.
[50]Overholt, 251.

the U.S. possesses considerable leverage due to China's reliance upon America as an export market, as a source for technology and as a provider of the goods necessary to develop its infrastructure.[51]

Overall, the U.S. should take a firm stand in pursuit of its interests but should guard against alienating a suspicious China which remembers too well the dangers of acquiescing to foreign powers. The current propensity to wield the Most Favored Nation stick over human rights is dangerous and could prove counterproductive. An America perceived as economically hostile could dredge up painful memories of interventions, partitionings and lost respect. Likewise, an American withdrawal from the region would hurt U.S. business concerns and, likely, arouse fears of Chinese and/or Japanese hegemony. The interests of the U.S., China and, indeed, all of Southeast Asia would best be served by continued American presence and guidance.

What, then, is likely to be the world structure in the 21st century? The concept of unipolarity with an omnipotent America has been discounted on the grounds that it is structurally unstable, economically unfeasible and, thus, temporary at best. True multipolarity is unlikely given the relative levels of power resources in the great power states and the lack of multidimensional power in all but the U.S. A four bloc system with Europe/Germany, Japan, China and America acting as independent agents is, for the sake of argument, a possibility. However, in light of the prevailing economic interdependence, intraregional distrust and ties to U.S. defense guarantees it is extremely unlikely that the U.S. would be summarily dismissed in favor of regionalism.[52] As indicated above, no one, with the possible

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[51]David Zweig, "Clinton and China: Creating a Policy Agenda That Works," Current History, (September 1993), 249.

[52]Kenichi Ohmae suggests this possibility in "The Rise of the Region State," Foreign Affairs, (Spring 1993), 78-87, whereby "natural economic zones" would exist across traditional state borders. However, this presupposes the relinquishment of some degree of state sovereignty and is discarded for the reasons stated above.

exception of America itself, is eager to see an American withdrawal from its foreign commitments.

What does emerge then, at least initially, is a modified multipolarity with the United States retaining its position as the only true superpower well into the 21st century. The other powers will exercise greater influence regionally and, if they feel their interests to be sufficiently threatened by U.S. hegemony, may act alone or in confederation to challenge American initiatives. For its part, the U.S. must guard against oversensitivity to these challenges and must not see them as a reason to withdraw. In any event, occasion for such challenges should be minimized due to the symbiosis of interdependence and the benefits still provided by the U.S. global presence. This scenario is not predicated on U.S. primacy, or absolute superiority, but rather on the basis that America will remain the most balanced power for the foreseeable future and will remain in demand as a role model and leader.

CONCLUSION

America should lead because it can and because its record as a relatively benign power causes others to seek such leadership. We know from history that when leaders fail to exercise their initiative disaster ensues. It is also clear, as President Clinton stated, that if we fail to lead we put ourselves at risk. In the words of Kenneth Waltz, "Great tasks can be accomplished only by agents of great capability. That is why states, and especially the major ones, are called on to do what is necessary for the world's survival."[53] America has that capability but must find the wherewithal to use it in the post-Cold War world. The greatest threats to

[53]Waltz, Theory of International Politics, 109.

U.S. leadership can be found within its own soul.

The preceding discussion was intended to demonstrate that the United States has the potential to lead well past the year 2000 and that it need not shrink from this role. Domestic difficulties and decline can be checked and reversed provided the motivation exists to do so. Indeed, it will be achievable only if engaged abroad.

Likewise, world structure is conducive to such a leadership role. External threats to American leadership pale when respective, relevant capabilities are compared. Unfortunately, demonstrating potential is a far cry from realization.

Future U.S. leadership revolves around three themes. First, complacency must be avoided. Current conditions are favorable for U.S. leadership but positive steps must be taken to preserve them. Deficit reductions and domestic revitalization are critical. The recent passage of the North American Free Trade Agreement will go far to achieving both as well as providing added leverage vis a vis Europe and Asia. Historically, Americans have demonstrated a remarkable resiliency once a crisis has been recognized. However, the present inertia must be overcome. The U.S. cannot afford to wait for an economic Sputnik.

Second, isolationist tendencies, arguably still minimal, must be checked. Retreating from international commitments in the name of domestic urgency is a prescription for failure. Burying the collective American head in the sand "will not stop technological change or hinder the development and global extension of an information-based [world] economy."[54] In fact, increased protectionism on America's part would only escalate global tensions

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[54]Nye, 239.

and magnify the problems of interdependence.

Third, the U.S. must transform its power resources to increase their utility for a co-optive, vice coercive, strategy. U.S. military supremacy is essential and, so far, acceptable to our allies. The end of the Cold War has not devalued U.S. military power. On the contrary, the presence of American forces in Europe and Asia serves to reduce intraregional fears and limit individual notions of rearmament. U.S. presence reduces the desires of many to acquire nuclear weapons, limits regional conventional arms races and preserves stability.

This stability, in turn, allows U.S. economic interests to be served by permitting entry into burgeoning eastern European and Asian markets and promoting the open economic order. As summed up by Robert Art, "Overall the U.S. needs a much smaller overseas presence than it has had. With the Cold War's demise the U.S. will be providing to others primarily insurance, reassurance and stability, not large amounts of security. But it must retain the capability to reinforce those forces rapidly should the need arise."[55]

In general, however, unilateral military intervention will be less effective and cost prohibitive. Increased multilateral diplomacy and involvement in collective institutions such as the International Monetary Fund, World Bank, General Agreement on Tariffs and Trade, G-7, various United Nations agencies, et alii, will go a lot further toward enhancing the American image, managing economic interdependence and calming fears of US hegemony.

At the same time it must be recognized that these institutions are not substitutes for American leadership. The United Nations, for example, may provide a policy forum and a mechanism for achieving consensus but, as long as

[55]Robert J. Art, "Defensible Defense: America's Grand Strategy After the Cold War," International Security, (Spring, 1991), 10.

it is reliant on member states for its power (and subject to Security Council vetoes of its policies) it is incapable of providing leadership. Consequently, the U.S. must guard against viewing the U.N. as the sole legitimate organ of power distribution lest its own interests become entangled with, or even subordinated to, those of the U.N.

Regardless of the emergent world structure, it remains essentially a nation-state system. Indeed, with the break-up of the former Soviet Union, the number of sovereign states with peculiar, often competing interests has increased. If this competition is to remain peaceful and productive, it must be guided and protected by a state with the interest and ability to do so.

Ultimately, Americans must decide whether to lead or retreat. America is not "bound to lead" in the sense of an inevitability but, as the most powerful nation on the planet, it very well may be obligated to lead for the sake of its own interests and those of the world.

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