

Can America Find a Grand Strategy?

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Professor Krasner, B.A. History, Cornell University 1963, spoke at Cornell on September 17, 2008, at the invitation of the Einaudi Center for International Studies. The Board of the Cornell International Affairs Review had the privilege of meeting with him during his visit. The following article, produced here with his permission, is an edited transcript of this talk. The board of the Cornell International Affairs Review thanks Professor Krasner for his support to our mission.

The issue of Grand Strategy for the United States in the post 9/11 world, is an extremely difficult problem. The Bush Administration did have a grand strategy, but it has not worked. Neither of the Presidential candidates, Obama nor McCain, have articulated something that you can call an effective grand strategy for the United States.

A Grand Strategy, in order to work, has to do a number of different things. It has to stipulate an overall strategic objective for what American foreign policy ought to be. It has to be effective. It has to be able to provide guidance across a wide range of specific policy areas, and this is something I understand much better after having worked in government than I did before. If you are thinking about policy guidance, the American Government is doing hundreds, even thousands of things at any particular point in time. It is not the secretary of state, but the political officer in Montevideo who has to work with his or her counterpart, and in those situations, you need some kind of strategic objective that can give people an understanding within the bureaucracy about what the overall broad foreign policy objectives are. And an effective Grand Strategy has to be able to mobilize domestic political support. If it cannot do that, it will not work in the United States, because whatever it is, it will cost something. Finally, any Grand Strategy has to be consistent with underlying structural conditions of the international system.

If you look at effective Grand

Strategies in the United States, Containment is the obvious, classic example. There was a fundamental objective of containment. George Kennan, who was actually the first director of policy planning, developed the policy. I am asked sometimes, 'well, what's your grand strategy now?' and I have to say, first of all, Kennan developed his containment strategy when he was still at the US embassy in Moscow, and secondly that these strategies come along maybe once every decade and we actually never came up with one when I was working in Washington. Containment did have a clear basic objective, which was to contain Communist expansion. Following from that were a number of specific policies: nuclear deterrence, regional alliances, Western based international financial institutions, such as the World Bank and the IMF, the GATT and then the World Trade Organization. Other policies included a series of overt wars in Vietnam and Korea where we did not fight the Soviets, but we fought against Soviet/Communist expansion, and a set of covert interventions against real, and sometimes perceived Communist threats, in Iran, Guatemala, The Dominican Republic, and Chile. You can argue about the wisdom of these policies, or each of these specific actions, but in Containment doctrine, specific policies could be derived from the overall strategy.

Containment also conformed to the structural environment in the Cold War. You had bipolarity; we were trying to contain the Soviet Union and Communism. There was

anxiety in Europe and Japan, the other major parts of the world with Communism. There was strong domestic support in the United States for anti-Communist policies, because Communism was seen as being antithetical to basic American values, such as individualism, democracy, and free markets. The House Un-American Activities Committee was actually well named, as it was something that people saw as being fundamentally un-American, and in the end, Containment worked.

The current environment is one, which I would describe in the following way. You do have, in terms of a structural situation, a degree of US dominance or hegemony that is historically unprecedented in the four hundred year history of the modern state system. The US spends as much as all other countries combined on defense. One American Aircraft Carrier can strike 700 targets in one day, which is perhaps more than any other air force in the world in total, and the United States has 12 carriers and many other warplanes besides. The United States economy was 27% of world GDP in 2006. 51% of patents issued by the US patent office were issued to Americans, and the percentage for the period of 1977 to 2007 was 55%. It has gone down a little bit, but there is still a very impressive level of American pre-eminence in global technology. If you look at culture, look down the list of the hundred highest grossing films world wide, and you will see that they are Hollywood films. Therefore, I think American hegemony is one attribute of the current international system.

The second attribute is the presence of a western security community, also historically unprecedented. The fact is that if you look at the western major powers, war among these powers is unthinkable. This may not be true forever, but it has been true for quite a long period, and there is no indication that this security community is disintegrating. Regardless of what the underlying causes are, and there may be more than one, it is now the case that war among the major industrial powers is unthinkable, and it's pretty hard to

see how it would happen. That is something else that is totally new at a global level.

The third attribute of the contemporary environment is the existence in Europe of what you can call a post-modern world, a world that has actually transcended conventional notions of sovereignty. If you look at the European Union, this is also something unique historically in the global system. It is not just an international organization, and it is not a federal state. It is not going to become a federal state or a conventional international organization, either. You have pooled sovereignty in the form of the European Court and the European Monetary Union, so you have organizations in Europe that actually dictate national policy. You have qualified majority voting in the council of Europe on some specific issues, so, a member of the European Union might object to a specific trade policy that's being pursued by the European Union, and they still have to follow that policy. It is completely at variance with our conventional notions of what sovereignty means. It is unclear where the European Union is going to end up, and is still clearly a work in progress, and it is unclear what the geographic scope will be. But it is really an incredible accomplishment, and in this area of the world, which committed suicide or near suicide in the first part of the 20th century, Europeans have been able to create an integrated structure that affects now virtually all of Europe. If you look at central Europe, it's inconceivable that it would have been integrated in the way that it has, in a kind of democratic, market oriented world, absent the European Union.

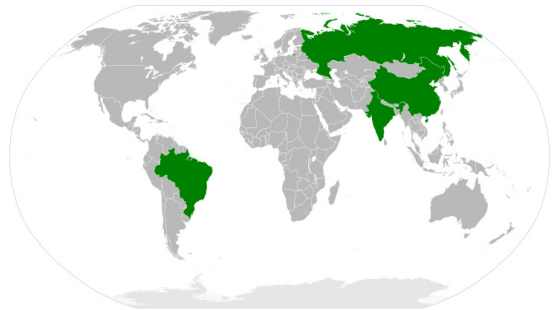
I do not think the European Union will be replicated. I think it is a result of two critical factors. One was that the United States was able to provide a security umbrella for Europe that took security issues off the table for the European powers themselves. The second and more important, is the fact that Germany wanted to essentially bury itself in Europe after its experience in World War one and especially World War two. The Germans

wanted to constrain their own freedom of action. I do not see either of these kinds of variables replicated anywhere else, and if you look at MERCOSUR, I do not think Brazil is really interested in constraining its freedom of action in South America. I think MERCOSUR is a good organization, but I think the Brazilians are happy to be there and they are happy to dominate the organization. If you look at security issues, there is no equivalent to the role that the United States played in providing a security umbrella for Europe.

Therefore, the existence of the European Union is a third aspect of the post-modern world of the contemporary international environment. If you look at Europe, one fact that is true as well is that Europe compared to the United States spends not that much on defense. 1-2% compared to 2-3-4% for the US. You can argue that this is a result of free riding on American security expenditures or the result of different values between the US and Europe, such as Mars vs. Venus, or reflects Europe's own post war experience and what they think works in the international environment, which is basically that values and institutions matter more than power. You can argue about what the causes are, but the structural fact is there. Europe in terms of population and economic size is comparable to the United States, but in terms of its military expenditures, it spends much less. Concerning domestic European politics now, especially European demographics, it is very hard to imagine that you would get significant increases in European military expenditures. I think in terms of the domestic political situation in the major European countries, it would be extremely challenging.

Next, you have the rise of new powers, such as Brazil and Russia, but I think mainly China and India. Chinese GDP is now 23% of US GDP in 2007. At some point in the future, China will probably catch and surpass the United States. It is not clear exactly when that will happen. I have a very, reserved, possibly cynical view about Russia in terms of the role

that it will play in the world. It seems to me that if you are looking at what has made Russia palpable as a player on the international scene now, it is energy and oil money. If that goes



away, Russia will be in a much-diminished situation. Japan is a country that finds itself now in an uncertain position. It is extremely anxious about China, and worried about its demographic future.

Therefore, if you look at the structural situation, you have the hegemony of the United States, the presence of Europe, rising powers, and if you look at some of these attributes, like American Hegemony and the European Union, they are really new things. Changing distribution of power in the international system is an old thing; it is what has always happened in the international environment. You do have though, also, as an interesting attribute of the international system, the presence of a significant number of failed and weak states. Estimates vary in different studies, with the numbers going from 37 to 73. It generates global bads, not just global goods, such as transnational crime, disease, and the thing that has been pointed to most consistently, transnational terrorism. Transnational terrorism is not a new thing. The Irish Republican Army organizing against Britain in the 19th Century, organized in New Jersey, and then these guys went back to Ireland. The anarchist movement around the turn of the 20th century assassinated seven heads of state including the President of the United States. We also have to say that transnational terrorism clearly has multiple causes, so I am not making a claim that, if

you looked at failed and weak states, that the failed or weak state is the full explanation for transnational terrorism. There are other factors that are associated with it, and it is also the case that we have no consensus now on how and what the actual causal mechanisms are. You can point to radical Islamic ideology, and from that, if we somehow managed to get Saudi Arabia to stop sending people money and building mosques, then transnational terrorism would go away. There are arguments that radical Islam is the result of the failure of the Islamic world to meet the challenge of modernization and the West. The argument that was made by the Bush Administration was that political repression in the Arab world gave no political outlet for people, and one of the things that happened because of that were terrorist activities. Alienation of Muslim immigrants in Europe is another potential cause; it is a very different argument about what the causes of transnational terrorism are. In addition, failed states and the fact that they can offer sanctuary or safety could be considered another cause of transnational terrorism. Afghanistan and the border areas of Pakistan would be part of this. I do not want to make an argument about which of these is actually the right answer, and maybe they are all right in some ways. I only want to say that, at least to some extent, these security issues are tied up with the issues of sanctuary in failed states, and it clearly has been advantageous for Al Qaeda to have safe havens where they can train people and hatch major plots. Obviously 9/11, but also the plot that was just prosecuted in England, were done by people who were actually trained in Pakistan or Afghanistan.

Transnational terrorism poses an unknown and unknowable threat. I had a conversation that stayed with me very vividly in 2003 with Cristoff Bertram, who was head of a big German foreign policy think tank. He said, 'the trouble with you Americans is that you are using a worst case analysis here.' I thought about that for a year, and I could not see exactly what else we should be doing.

I actually bumped into him a year later and I asked him about this and of course, he had no memory of having said this, but it had filled my head for a year. I think the problem is you are dealing with a situation in which you have this small probability of something really bad happening. We have no way of assigning an expected utility to this. You know that if you set off dirty nuclear bombs in a number of major cities around the world it would be incredibly bad. Nevertheless, what is the chance of that happening? We have no way of getting something that looks like a real probability estimate. We have to say here, 'look, very surprising, incredibly unpredicted things have happened in the world.' The Communists coming to power in Russia after the First World War would be one example. If you asked people in 1915, I do not know how many people you would have found who could have predicted that. Hitler coming to power in Nazi Germany would be another. If you'd asked people in Germany in the mid 1920s, at least, whether you would have had this quite crazed guy coming to power in one of the most advanced countries in Europe, the people would have said, 'no.' It would not have been quite in the realm of possibilities. Therefore, very bizarre things have happened before, and 9/11 may not be the most bizarre thing that we have seen.

I've had some conversations with people about why terrorism is so bad, because one thing people will say is 'look, say you get even another 9/11, you kill quite a large number of people, but it's still a lot fewer people than are killed in automobile accidents in a year for instance in the United States.' So here, maybe you just want to ask, 'why worry about this so much?' I mean let us say there's some terrorist event and you have several hundred people killed. We live with risk all the time in our lives, so why are we so worried about this? At least one explanation is that for many of the other risks that we live with, you know what they are, and you can take actions to deal with it. If you lived in New York City in the 1980s or

1970s and you were worried about crime, so you could decide that you were not going to go out at night, or that you were not going to go into certain neighborhoods. The problem with terrorism is that there is a pervasive fear that you cannot protect yourself from it.

Therefore, you have this unknown, unknowable threat, but I think what has happened if you look at transnational terrorism, in some weak or badly governed states, and with weapons of mass destruction, is that you have another development. You have broken the relationship between the ability to do harm and the underlying structural capacity of actors. For example, if you look at North Korea, a country that does have missiles, and does have nuclear weapons. Its GDP, however, is about .002 of the United States, so way less than one percent, and way less than one percent of the GDP of Japan. Despite that, North Korea could be in a position to kill millions of people in Japan, Russia, and China. That is historically unprecedented. It is like Lichtenstein posing a mortal threat to Germany in 1914. That is not something that has happened before. Therefore, you are in a situation in which you have the possibility of relatively weak actors being in a position to wreak substantial damage on much more powerful actors. I do think that if you did have a major transnational incident, something on the order of 9/11 or bigger or a number of these, there exists a real possibility for changing the international rules of the game in ways that would be very uncomfortable. Let us say we had another attack on the United States that kills ten thousand people, and there is evidence that it originated in the border areas of Pakistan. I do not think you'd be having the kind of discussions the United States is having now about whether or not we should actually engage in military activity in this border area. I think it would happen. If you looked at the situation and said, 'gee, Saudi Arabia has been funding a lot of the kind of ideology which has supported Al Qaeda,' and you reach that conclusion, it is not so

evident that you'd continue to have a system in which you'd continue to transfer billions and billions of dollars to countries that have radical perspectives. You might have a way of thinking about oil, for instance, in which you would say, 'maybe we should think about oil exports as part of the global heritage of mankind,' with the revenue going to the world bank to distribute to developing countries. I think developments like this, which are almost unimaginable now, but are potentially imaginable after a major attack, would be bad outcomes. This would be a much more violent, much less comfortable world than the one we are living in now. I have to say, as I used to say in my lectures in 2003, shortly after 9/11, that if you were an undergraduate now you would have a much better chance of dying from a nuclear bomb than I had growing up through the cold war. That looks more remote now, but I think if you did have a major nuclear attack you would have a much more uncomfortable world, so clearly, there are ways and reasons to think that we need to find a way of dealing with the nexus of problems that exist in the contemporary international environment.

Grand Strategy Options

Let me now offer a few contending grand strategies.

Retrenchment

It says that the United States should limit its alliance commitments, scale back NATO, limit NATO to Europe and the US Japanese alliance, and be very, very resistant to using force. The US should also limit expectations about anything you could accomplish if you are thinking about intervening in third world countries, and assume that transnational terrorism and WMD is a manageable threat. This is the wrong strategy and it would not work. I think the US still plays an extremely valuable security role in Asia. If the United States were to withdraw from Asia, you would have a nuclear-armed South Korea and Japan. The Japanese are clearly extremely anxious

about the rise of China, and are somewhat mollified by the fact that the United States is still present. If you withdraw the American presence, I think it would be a much messier environment. If you think about American withdrawal from the Middle East, and I am not just talking about Iraq now, I am talking about the Arabian Peninsula and the surrounding area, it would be a problem. The Saudis, the Gulf States, all major sources of oil, clearly worry about Iran. They feel anxious, but they also feel bolstered by the fact that they think they have American engagement to protect them against the worst possible outcomes. If the US retrenched in a major way, I think you would either see the Saudis and the Gulf states throwing in their lot with Iran, or trying to develop a much more robust military capacity than they have now. That would also not be a very comfortable outcome. I do not see this policy of retrenchment as something that would actually further in a significant way American interests.

Bush doctrine

I thought Charles Gibson's question to Palin about what is the Bush Doctrine was interesting. I have to say that if someone had asked me that, I would never have said preventive and pre-emptive war, and I have worked for the Bush administration for 3 and a half years, so I want to think I have some claim to expertise here. If we look at the Bush doctrine, it has the following elements. It has this notion of pre-emptive/preventive war, which is that we have to strike first before really bad things happen to us. It has root causes and democratization, which is that the fundamental cause of transnational terrorism is political repression in the Islamic world. This is an argument that Rice repeated in her very recent Foreign Affairs article, in which she argued that the problem is that the bet that we made in the Islamic world was that we would get security from stability, and in fact, we have not gotten either stability or security. The necessity of American primacy

and unilateralism is also needed. The idea of democracy is the animating focus of the Bush Administration. So the question is, how well do the different elements of this work. We can see with clarity now that democratic regime change is hard. Much harder than the administration thought it would be. I think there is a more generic problem, which is that changing domestic authority structures in other states is very hard. Democratic regimes in the Middle East will not necessarily be more pro-American. There have been polls that say if you ran a free and fair election now in Saudi Arabia, Bin Laden would probably do very well. The United States has clearly relied



in the past and is going to continue to rely on autocratic regimes in the Middle East and central Asia to further its strategic and material interests, examples being Egypt, Saudi Arabia, Azerbaijan, and Kazakhstan. In the doctrine, there is an element of intellectual incoherence, and it puts the United States in a position where we are pushing democratization very strongly while at the same time we are closely allied with Saudi Arabia.

Multilateral engagement

This is something we have certainly seen from many; Ikenberry, Princeton Project, Ann Marie Slaughter, and others. It is an argument that you have to work through multilateral organizations, that you have to use persuasion and attraction rather than coercion and power as a way of getting what you want, and that you need to have self-constraint on America's freedom of action. I would say

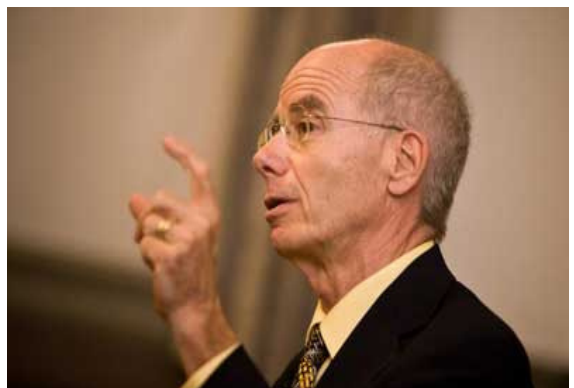
that this is the most prevalent alternative to the Bush doctrine as I have described it. The problems are this: Inescapably in the contemporary environment, American power will breed suspicion, so people are not going to be comfortable with the United States. Other powers will inevitably free ride on American power. I also think other major powers have different values than the United States. The Europeans have vision of how to operate, interact, and engage the world that is very different from the American one. Furthermore, it will be hard for the United States to limit its own freedom of action, which is something it will have to do if you want others to buy into this multilateral strategy. Otherwise, other countries are not going to trust us. Finally, you have a difference in the way transnational terrorism, and how we should respond to it, has been formulated. The Europeans have essentially bought in to the idea that this is something that needs to be treated as a criminal problem, and the United States went very quickly to the idea that this was a war on terrorism. These are very different views on what the nature of the problem is, and it is not going to be easy to resolve these. Given the uncertainty of the environment that we are looking at, multilateral engagement, although it sounds OK, is not something that is really going to work as a coherent and consistent strategy for the United States.

Krasner's Grand Strategy Option

I am going to offer my candidate here, which is that the United States ought to be trying to create a world of responsible sovereigns. I define this as a set of states that can essentially govern effectively within their own boundaries, and would play by the existing international rules of the game. This does not mean they would have to agree with these rules, but that if they wanted to change the rules they would do it according to the rules that are out there now. It would be normalization and not democratization. The model here is Libya and not Gaza. What

we have done with Libya is exactly what responsible sovereignty should look like as a foreign policy, although Libya is not a fully responsible sovereign state now. You want countries that can govern effectively within their own borders, that can provide services to their own populations, that can promote economic growth, that would respect basic, minimum human rights, and you would want them to be able to accept and work effectively with existing international regimes.

I do think that this is a strategy that would secure international support. What has happened over the last five years has made democracy a very problematic word in the international environment. Responsible sovereignty, or maybe good governance, is something that could get general support. Everyone would say they are in favor of it, although that does not mean everybody would necessarily act according to it. I do think it is a policy that could secure domestic political support in the United States as well. You would have to say that this is something that is associated with basic human rights and that democracy could certainly be part of responsible sovereignty, although it is not necessarily all of it. The language is important in winning over domestic support, so let me use a couple of quotes here. "Our hopes, our hearts, our hands are with those on every continent building democracy and freedom. Their cause is America's cause." The second quote is: "The survival of liberty in our land increasingly depends on the success of liberty in other lands. The best hope for peace in



our world is the expansion of freedom in all the world.” The first was Clinton’s inaugural address and the second was Bush’s second inaugural address, so there is not too much space there between the way Americans think about this. Therefore, I do think it is something that could generate some support. There are exceptions; I do not think it is going to be easy to get China to buy in to this in terms of Chinese material interests. If you look at political rulers in developing states in terms of what they actually did and not in terms of the rhetorical articulation that they may give you, the answer is not necessarily positive. In many cases, having bad governance is better for them than having good governance because it gives these political elites more opportunities for rent extraction. So it is certainly not the case that this would have universal support, or necessarily be easy, but I think it does have at least a possibility for getting generic support both internationally and domestically.

Here is what this would mean in terms of policy guidance, in other words, what specifically we should be doing. First you should promote freedom in all of its dimensions. This could be economic freedom, political freedom, basic human rights, cultural freedom, religious freedom, etc. I think this is something that would give us a much wider range of policy steps that we could take that would actually be consistent with what we articulated as our Grand Strategy. It would not put us in the position of saying that we are in favor of democracy, while at the same time being closely allied with Saudi Arabia. That is one policy it would imply. Secondly, it implies that we need programs that offer incentives. Incentives work. The big incentive program for Central European States is clearly membership in the European Union. There are a couple of things that we could do such as broaden the Millennium Challenge account. This foreign aid program is entirely incentive based. The US increases its foreign aid if countries have demonstrated that they are ready to produce better governance. We ought to

have trade agreements, and more open trade arrangements as well. The single most important thing that Europe and the United States could do for development would be to get rid of their agricultural trade barriers. Increasing incentives is something I am pretty confident about when it comes to modifying State behavior.

We need to increase options for multilateral cooperation. This is not something the US can do by itself, but it is also not something that you can do through the United Nations alone. There is too much disagreement. What you need are a number of different modalities. They may be the UN, they may be the Security Council, they may be regional organizations, and it may be NATO, which I think is very valuable as an out of area military force. It may be doing things like more coalitions of the willing. The United States, over the last several years, has promoted something called the Proliferation Security Initiative, which has about eighty countries, and is an arrangement where countries agree to try to prevent the sale and transportation of weapons of mass destruction. It requires some coordination among countries, and they have done a number of interceptions of ships. It has worked well, and although it is not highly institutionalized, it is not entirely ad hoc either. Those are, in terms of international policies, what the US would have to do.

Within the United States also, there are many things the United States would have to do to make the strategy work, and these will be very hard. It is obvious, and everyone in Washington knows this, that we need a better mix of civilian and military capacity. The budget of USAID in the State Department is \$40 billion, while the security budget of the United States is, if you combine Department of Defense plus Department of Energy expenditures on nuclear weapons, about \$800 billion. This is a ratio of 20 to 1, whereas now that you are thinking about state building and post conflict reconstruction, the ratio ought to be the other way around. It ought to be more

like 20 to 1 for Civilian as opposed to military. You would need to reorganize US government to enhance its state building capacity, and its ability to promote responsible sovereignty. There have been a number of different proposals, one being that you make USAID a cabinet level agency. You might want to integrate it even more closely with the State Department. You might want to increase the size of the State Department. You clearly would want to increase civilian-military coordination. Either that or you may end up needing to say that civilian agencies in the US government don't know how to do this, so we should just give it to the military and expand the scope of activity that it is engaged in. You would at least have to begin to tackle some of these problems if you wanted to make responsible sovereignty an effective Grand Strategy.

Conclusion

I will close by giving my answer to the title of this lecture, "Can The United States Have a Grand Strategy?" My answer is 'maybe.' The 'maybe' is because I think we are confronted with a huge challenge, and we do not know how to deal with it. That problem is how to get better governance, economic growth, and ultimately, full-fledged liberal democracy in parts of the world that do not have it now. If we actually had a world of responsible sovereigns, it would be a much nicer place to live in, not just for Americans, but for everybody else in the world. We do not know how to do that and we do not know how it has happened in places that are already well developed. We have a number of different theories out there in social science about how this works. If I had to bet on a position right now, I would say that much of what has happened is path dependent and haphazard. Rather than being

the result of structural conditions, political development and economic development are hostage to and contingent on indigenous factors which we are not able to predict and which sometimes we do not have a good grasp of. That is a big problem. The second problem that I alluded to earlier is that political leaders in weak and failed states often prefer rent seeking to responsible sovereignty. They do not want rule of law, they want rule of un-law, because it gives them the opportunity to extract resources more effectively than they could otherwise. Thirdly, if you look at the situation, there is a deep structural problem. If you are looking at the industrial west including Japan, there are a set of developments which were more or less autochthonous. If you look at the developing world, you have a situation in which these countries are expected to perform a wide range of responsibilities: education, social security, healthcare, and others. These have been generated not by debates within these societies, but by mimicking the set of institutional structures that exist in the West. That is a problem Europe and the United States never confronted, and so there are some structural problems in terms of how you can get responsible sovereignty. If we are looking at some kind of guidance, some kind of path in the environment which we are in now, we are not going to find a Grand Strategy that is as neat as containment. We are not going to find that Grand Strategy because the problem that we are dealing with is harder than anything we have ever had to deal with in the Cold War. However, Responsible Sovereignty is the best shot that we can take at making something work. Moreover, it is better than what the alternative candidates are now, being either retrenchment, or what the Bush administration put forth, or engaged multilateralism.

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