

AMERICA UNBOUND: THE FUTURE OF AMERICAN HEGEMONY

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It is a great honor to deliver the Sterry R. Waterman Lecture at Vermont Law School this year. I want to thank Dean Shields for the invitation and thank all of you for coming today. Judge Sterry Waterman grew up and later lived in St. Johnsbury, Vermont. He was the first chairman of the board of Vermont Law School and played a decisive role in getting the School established. Together with founding Dean Tom Debevoise, Judge Waterman guided the Law School through its formal accreditation and to its position of national leadership in the field of environmental law. As a judge in the U.S. Court of Appeals for the Second Circuit, he participated in a number of decisions that were important to this region, affecting both commercial and environmental issues. If Vermont Law School has earned a position of distinction in American law, it is due in considerable part to the inspired leadership of Judge Sterry Waterman. His dedication to the law and to public service has inspired generations of students and faculty and will be emulated for decades to come. It is a distinct honor to participate in a lecture series bearing his name.

My subject today is America unbound: the Bush foreign policy and the future of American hegemony. Under the Bush Administration's foreign policy, will hegemony flourish or fade? For most Americans, the contemporary world is divided into the period before 9/11—September 11, 2001—and the period after. For much of the rest of the world, and especially in Europe, the crucial divide is not 9/11 but 11/9—November 9, 1989—the day the Berlin Wall came down. With the fall of the Wall and the disappearance of the Soviet Union in 1991, the bipolar world disappeared and the strategy of containment and deterrence that had shaped American policy for almost half a century became no longer relevant. So already before September 11, 2001, a new post-Cold War strategy was required. No clear plan had been defined when President Bush became President in 2001. In the Bush National Security Strategy, announced in September 2002—the most definitive statement of Bush's security policy—the President attempted to define a strategy that would be relevant both to the post-Cold War period and the post-9/11 period.¹

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1. See NAT'L SEC. COUNCIL, EXECUTIVE OFFICE OF THE PRESIDENT, NATIONAL SECURITY STRATEGY OF THE UNITED STATES OF AMERICA 15 (2002), available at <http://digbig.com/4fsmj> (discussing the differences between the Cold War and the post-9/11 worlds in terms of weapons of mass

Like Franklin D. Roosevelt after Pearl Harbor, President Bush decided after 9/11 that some drastic overhaul of U.S. strategy was necessary to meet new security threats. The main outlines of the National Security Strategy are known to most of you, and I will only summarize briefly the principal points. The principal goal of this Strategy is:

[D]efending the United States, the American people, and our interests at home and abroad by identifying and destroying the threat before it reaches our borders. While the United States will constantly strive to enlist the support of the international community, we will not hesitate to act alone, if necessary, to exercise our right of self-defense by acting preemptively against such terrorists, to prevent them from doing harm against our people and our country²

The President goes on to proclaim that:

The United States has long maintained the option of preemptive actions to counter a sufficient threat to our national security. The greater the threat, the greater is the risk of inaction—and the more compelling the case for taking anticipatory action to defend ourselves, even if uncertainty remains as to the time and place of the enemy’s attack. To forestall or prevent such hostile acts by our adversaries, the United States will, if necessary, act preemptively.³

With regard to non-state actors like Al Qaeda, the Bush doctrine argues the “[t]raditional concepts of deterrence will not work against a terrorist enemy whose avowed tactics are wanton destruction and the targeting of innocents; whose so-called soldiers seek martyrdom in death and whose most potent protection is statelessness.”⁴ This argument on how to respond to non-state actors like Al Qaeda is generally accepted by even the most severe critics of the Bush Administration. However, the Bush doctrine goes on to state that “[t]he overlap between states that sponsor terror and those that pursue WMD [weapons of mass destruction] compels us to action.”⁵

destruction).

2. *Id.* at 6.

3. *Id.* at 15.

4. *Id.*

5. *Id.*

This would become the justification for the attack on Iraq: it was claimed that Iraq was involved in state-sponsored terrorism against the United States by its close link with Al Qaeda, and that Iraq would soon acquire WMD.⁶ We now know that both of those claims were unsubstantiated—a conclusion supported by six different expert groups, two of which were appointed by the Bush administration.⁷

How effective has this strategy been? In one important sense, the President achieved his objective: there have been no terrorist attacks on U.S. territory during the last three-and-a-half years. Taking the offensive against the Taliban in Afghanistan and their Al Qaeda allies in neighboring countries has prevented an attack on U.S. territory. Here, it is argued, preemption has worked.

In past international practice, “[p]re-emption’ meant taking military action against a state that was about to launch an attack ‘Prevention’ meant starting a war against a state that might, at some future point, pose such risks.”⁸ According to historian John Lewis Gaddis, “the Bush administration conflated these terms, using the word ‘pre-emption’ to justify what turned out to be a ‘preventive’ war against . . . Iraq.”⁹ The Bush Administration concluded that if all other efforts to deter an enemy failed, “it reserved the right to pre-empt perceived dangers by starting a preventive war.”¹⁰ It proclaimed this as the doctrine of preemption. Senator Kerry in the 2004 presidential campaign indicated that he would not relinquish that option if elected.¹¹ Indeed, in a document entitled *A National Strategy for a New Century*, President Bill Clinton stated in 1999: “We will do what we must to defend these interests, including when necessary and appropriate, using our military unilaterally and decisively.”¹² Is this feature of American strategy therefore here to stay?

6. Colin L. Powell, U.S. Sec’y of State, Remarks to the United Nations Security Council (Feb. 5, 2003), available at <http://www.un.int/usa/03clp0205.htm>.

7. E.g., COMM’N ON THE INTELLIGENCE CAPABILITIES OF THE U.S. REGARDING WEAPONS OF MASS DESTRUCTION, REPORT TO THE PRESIDENT OF THE UNITED STATES 45 (2005) (“These [pre-attack] assessments were all wrong. . . . How could the Intelligence Community have been so mistaken? That is the question the President charged this Commission with answering.”) (citation omitted).

8. John Lewis Gaddis, *Grand Strategy in the Second Term*, FOREIGN AFF., Jan.–Feb. 2005, at 2, 4.

9. *Id.*

10. *Id.*

11. *Id.* at 5.

12. Walter B. Slocombe, *Force, Pre-emption, and Legitimacy*, SURVIVAL, Spring 2003, at 117, 117, 119 (quoting NAT’L SEC. COUNCIL, EXECUTIVE OFFICE OF THE PRESIDENT, NATIONAL SECURITY STRATEGY OF THE UNITED STATES OF AMERICA 1 (1999), available at <http://digbig.com/4fsmh>).

International lawyers have not reached any firm consensus on the use of preemptive force. As is well known, Article 51 of the United Nations (UN) Charter acknowledges that states have a right to use military force in self-defense.¹³ Although Article 51 addresses some questions about the use of force, it does not define exactly the circumstances when states can, individually or collectively, legitimately use force to counter an attack that they perceive to be imminent. More precision is clearly needed to establish a common understanding of legally justifiable action in the face of imminent threats. Because it is not explicit in the UN Charter, there has not emerged any firm consensus on the right of anticipatory self-defense. During the Cold War, little progress was made in developing a consensus because the second-strike capabilities of both the United States and the Soviet Union made much of the arguments irrelevant in practice. Launching an anticipatory attack against an enemy with a second-strike capability would do far more harm than good. Hence, one did not focus much attention on doctrines of preemption during the Cold War. In this post-Cold War and post-9/11 period, legal scholars remain sharply divided on the questions of preemption, imminence, and anticipatory self-defense.

The traditional concept of imminence was based on the notion that one would have a good prospect of warning before an attack. This is no longer true in an environment where terrorist and rogue states might have WMD that can be hidden, delivered covertly, and used without warning. In this situation, according to strategist and lawyer Walter Slocombe:

[t]he right of anticipatory self-defence by definition presupposes a right to act while action is still possible. If waiting for 'imminence' means waiting until it is no longer possible to act effectively, the victim is left no alternative to suffering the first blow. So interpreted, the 'right' would be illusory.¹⁴

Scholars like Christine Gray argue that a faithful reading of the UN Charter rules out most uses of anticipatory defense, regardless of the provocation.¹⁵ Others, like Christopher Greenwood, have advocated that in the face of the new threats by non-state-terrorist groups, anticipatory military action in self-defense in the face of a threat perceived to be

13. U.N. Charter art. 51.

14. Slocombe, *supra* note 12, at 125.

15. Terence Taylor, *The End of Imminence?*, WASH. Q., Autumn 2004, at 57, 63–64 (citing CHRISTINE GRAY, INTERNATIONAL LAW AND THE USE OF FORCE 129–30 (2d ed. 2004)).

imminent may well be justified.¹⁶ As a political scientist, not a legal scholar, I find Professor Greenwood's the more persuasive case.

What is the standard today for the legitimate exercise of military force? At the United Nations two years ago, French Foreign Minister Dominique de Villepin gave one response. He chastised the United States and asserted that only the approval of the UN Security Council can legitimize military action.¹⁷ In 2004, UN Secretary General Kofi Annan referred to the Iraq war as "illegal."¹⁸ While lawyers continue to argue about the legality of requiring UN approval for military action, it should be clear to most Americans, and indeed to many outside America, that this stance is politically non-viable. To follow this logic strictly means that no use of military force can be considered legitimate unless it has the approval of Russia, China, or any other single permanent member of the Security Council, regardless of how the action is otherwise supported in international-political or international-legal terms. By this standard of course, the NATO intervention in Kosovo was an illegitimate act—although most of the world would come to regard it as a justifiable humanitarian intervention.¹⁹ Therefore, the claim that the international community is the only and absolute custodian of the legitimacy of international force in fact means that legitimacy can be determined or vetoed by any one of the five permanent members of the Security Council. That standard has little credibility with the American people.²⁰

We have seen during the past two years that the preemption-defined-as-prevention doctrine meant that the United States itself has appeared to much of the world as a clear-and-present danger. The United States will continue to be seen, as Professor John Ikenberry has said, as "a global policeman who reports to no higher authority and no longer allows locks on citizens' doors."²¹ Instead of receiving consent by much of the world,

16. *Id.* at 67 (citing Christopher Greenwood, *International Law and the Pre-emptive Use of Force: Afghanistan, Al-Qaida, and Iraq*, 4 SAN DIEGO INT'L L.J. 7, 15 (2003)).

17. Dominique de Villepin, French Minister of Foreign Affairs, Statement During Joint Press Conference with Mr. Igor Ivanov, Russian Minister of Foreign Affairs, and Mr. Joschka Fischer, German Minister of Foreign Affairs (Mar. 5, 2003), available at <http://digbig.com/4fsmg>.

18. Interview by Owen Bennett-Jones with Kofi Annan, UN Sec'y Gen., in New York City, N.Y. (Sept. 16, 2004), available at http://news.bbc.co.uk/1/hi/world/middle_east/3661640.stm.

19. *Cf.* Gaddis, *supra* note 8, at 7 (noting that the United States "obtained international consent for the use of predominantly American military force . . . in Kosovo in 1999").

20. *See* CHI. COUNCIL ON FOREIGN RELATIONS, GLOBAL VIEWS 2004: AMERICAN PUBLIC OPINION AND FOREIGN POLICY 26 (2004) ("Sixty-one percent of the [American] public say a country should have the right to use military force without UN approval to stop a country from supporting terrorist groups . . ."), available at <http://digbig.com/4fsmf>.

21. Gaddis, *supra* note 8, at 5 (discussing Ikenberry's assessments of American power).

Bush's attack on Iraq led the United States to be "regarded as an international pariah."²² Bush had the military power to prevail, but he did not persuade the world that the attack on Iraq was a legitimate exercise of power. One reason the United States prevailed in the Cold War is that our power was exercised with the consent of our allies while the Soviet Union's was not.²³ The Soviet Union relied on force, not persuasion,²⁴ while the United States with rare exception practiced what John Ikenberry has called "'stakeholder' hegemony":²⁵ while the United States retained the last word, in most cases it acted after consultation with allies.²⁶

If American leaders—not only President Bush but also others like Senator Kerry and former President Clinton—are unlikely to relinquish the right of preemption in certain circumstances, how can multilateral support be obtained for the preventive use of American military power? This will "require persuading as large a group of states as possible that these actions will also enhance, or at least not degrade, their own interests."²⁷ We were successful in doing this, not only in the Cold War, but also in the Persian Gulf War, Bosnia, Kosovo, and Afghanistan.²⁸ Iraq therefore was not the norm, but the exception.²⁹

The continuing threat posed by fanatical-terrorist networks like Al Qaeda has exposed the vulnerabilities of all nation-states. As Professor Gaddis has concluded:

Unless these are repaired, and unless [the terrorists] are killed, . . . the survival of the state system itself could be at stake. Here lies common ground, for unless that multinational interest is secured, few other national interests . . . can be. Securing the state will not be possible without the option of pre-emptive military action to prevent terrorism from taking root. . . . [T]he United States has yet to make its case for pre-emption in these

22. *Id.* at 6.

23. *Id.*

24. *See id.* (explaining that the Soviet Union's tactics during the Cold War, like the Bush Administration's failure to gain the consent of the international community before attacking Iraq, lacked the element of international persuasion).

25. G. John Ikenberry, *Getting Hegemony Right*, THE NAT'L INT., Spring 2001, at 17, 17.

26. *See generally* G. John Ikenberry, *America's Imperial Ambition*, FOREIGN AFF., Sept.–Oct. 2002, at 44, 44–60 (describing attempts by the United States to involve its allies in previous interventions, arguing that the Bush administration has advanced a more unilateral approach to the war on terrorism, and criticizing this approach).

27. Gaddis, *supra* note 8, at 7.

28. *Id.*

29. *Id.*

terms.³⁰

Whether the Bush Administration will be capable of making that case during its second term remains uncertain and will have a direct impact on the future of American hegemony. Clearly the statements by Secretary of State Rice and President Bush in Europe in February 2005, showed an awareness of the need for multilateral cooperation in the post-Iraq War period and indicated that the downside of unilateralism had begun to penetrate the Bush Administration.³¹ In the first several months of the second Bush Administration, there appears to be at least an implicit recognition that “legitimacy” matters, even if the role of the UN Security Council as the sole arbiter of “legitimacy” is rejected.

If the United States did not need help in defeating Saddam Hussein, experience has shown that without help from other nations our occupation of Iraq is bound to fail.³² In retrospect, it is hard to fathom why the Administration did not anticipate the requirements for the post-military occupation of Iraq.³³ We apparently did not anticipate continued, internal opposition, let alone a violent, tenacious, and widespread insurgency.³⁴ We did not prepare and recruit an experienced civilian administrative corps, but instead relied on young military volunteers who were trained for fighting wars—not for administering post-military occupations.³⁵

30. *Id.*

31. President George W. Bush, Remarks at a Joint Meeting between the President and the Prime Minister of Belgium (Feb. 21, 2005), *available at* <http://digbig.com/4fsmc> (“In a new century, the alliance of Europe and North America is the main pillar of our security.”); Condoleezza Rice, U.S. Sec’y of State, Remarks at the Institut d’Etudes Politiques de Paris - Sciences Po (Feb. 8, 2005), *available at* <http://digbig.com/4fsmc> (“The key to our future success lies in getting beyond a partner[ship] based on common threats, and building an even stronger partnership based on common opportunities, even those beyond the transatlantic community.”).

32. *See* Slocombe, *supra* note 12, at 120 (remarking that, “aside [from] direct military contributions, the United States is, in almost all circumstances, heavily dependent on other countries . . . in dealing with the aftermath of conflict”); *see also* Philip H. Gordon, *Trading Places: America and Europe in the Middle East*, SURVIVAL, Summer 2005, at 87, 98 (remarking on the similarity of the “pitfalls that befuddled the outside powers” in the Middle East fifty years ago and those that America confronts in the Middle East today; and advising that if America can stabilize the region and win “international support, it might also be able to avoid the resentment and violent resistance that doomed the British and French the last time around”).

33. *See* Walter Pincus, *Memo: U.S. Lacked Full Postwar Iraq Plan*, WASH. POST, June 12, 2005, at A1 (reporting that the “Downing Street Memo” indicated that the United States had given “little thought” to the Iraq invasion’s “aftermath and how to shape it”).

34. *See* Gaddis, *supra* note 8, at 8 (describing how the United States misjudged how the Iraqis would respond after the old regime was removed).

35. *See* NIALL FERGUSON, COLOSSUS: THE PRICE OF AMERICA’S EMPIRE 213 (2004) (“Until there are more U.S. citizens not just willing but eager to shoulder the ‘nation builder’s burden,’ ventures

Nor is our occupation experience in Iraq an exception. The United States has long been involved in post-military occupations or nation-building projects.³⁶ We have had at least eighteen since the conquest of the Philippines in 1899.³⁷ The overall record is not a pretty one. The cases of success—Germany, Japan, and Korea—were all ones in which U.S. forces came and stayed indefinitely.³⁸ In Japan and Germany, we were not nation-building at all but only relegitimizing societies that had very powerful states.³⁹ In most other cases, the United States left nothing behind in terms of self-sustaining institutions or made things worse by creating a modern army but no rule of law, as in Nicaragua.⁴⁰

Most Americans reject the notion that we are an empire. Americans have no taste for nation building; we want exit strategies, not empires.⁴¹ We are prepared to spend \$450–\$500 billion a year on the defense budget but starve the foreign policy and development agencies that are the natural institutions for running post-military occupations.⁴² What is the result? When we achieve a military victory and face an occupation, whom do we rely on? The military is trained for fighting wars, not post-military occupations. No wonder we often fail. Compare our situation with that of

like the occupation of Iraq will lack a vital ingredient.”) [hereinafter FERGUSON, COLOSSUS].

36. See *id.* app. at 303 (listing major American occupations of foreign territories, beginning with Hawaii in 1893).

37. *Id.* (listing fifteen major American occupations since the Philippines).

38. See Niall Ferguson, *A World Without Power*, FOREIGN POLICY, July–Aug. 2004, at 32, 34 [hereinafter Ferguson, *Without Power*] (noting that, as exceptions to typically short-lived U.S. invasions, “U.S. troops have stayed in West Germany, Japan, and South Korea for more than 50 years”).

39. Cf. FERGUSON, COLOSSUS, *supra* note 35, at 216 & n. (“The conventional wisdom has it that democratization was bound to succeed in postwar Germany because German society was highly advanced and homogeneous and there was a clear memory of how democracy worked from the 1920s. . . . Only with the benefit of hindsight[, however,] does [Germany’s] transformation into a stable Western democracy look easy.”).

40. See Ferguson, *Without Power*, *supra* note 38, at 34 (“[T]he United States suffers from what is best called an attention deficit. Its republican institutions and political traditions make it difficult to establish a consensus for long-term nation-building projects.”); see also FERGUSON, COLOSSUS, *supra* note 35, at 216 (discussing how “a good deal of ill[.] came of the numerous short-term American interventions in Central America and the Caribbean”).

41. See FERGUSON, COLOSSUS, *supra* note 35, at 203 (“Other nations in history have fought in foreign lands and remained to occupy and exploit. Americans, following a battle, want nothing more than to return home.”) (quoting George W. Bush, President of the United States, Remarks on the End of Major Combat in Iraq (May 1, 2003), in *Transcript of President Bush’s Remarks on the End of Major Combat in Iraq*, N.Y. TIMES, May 2, 2003, at A16).

42. See STEPHEN SLIVINSKI, CATO INST., PUBL’N NO. 543, THE GRAND OLD SPENDING PARTY: HOW REPUBLICANS BECAME BIG SPENDERS 8 (2005) (estimating President George W. Bush’s defense budget at \$402.6 billion and stating that this amount “rivals [President] Johnson’s largest Vietnam War defense budget”).

the British Empire in the late-nineteenth and early-twentieth centuries.⁴³ Their imperial lands were ruled by administrators from the official Colonial Service or the Indian Civil Service.⁴⁴ Who were these administrators? Often, more than half of the senior people were graduates of Oxford and Cambridge.⁴⁵ They were fluent in Arabic, Hindi, or Swahili, which they had studied at the university.⁴⁶ They would go out to Arabia, India, or Kenya with their families and remain for twenty or thirty years, often retiring there.⁴⁷ After their military had subdued the natives, the civilian administrators took over and were always in charge, not the military.⁴⁸ They built schools, roads, health systems, and other modern infrastructure.⁴⁹ Most important, they often developed a modern public administration and left behind functioning democratic institutions.⁵⁰ They received England's highest honors and coveted a CBE more than the title CEO.⁵¹

In contrast, most Americans do not want to live abroad and particularly not in those hot, smelly places that the English were prepared to tolerate.⁵² Of the four million Americans living abroad, three million live in Europe, Canada, or Mexico.⁵³ We have highly paid consultants from McKinsey or Booz Allen that are prepared to go out for three to six months and serve in specialized capacities. However, we have no equivalent of the British-career-administrative service. Since we are an imperial power—even if most Americans would deny it—and are likely to be faced with occupation responsibilities in the future, it is high time we trained and supported a qualified civilian-administrative corps. Whether the Bush Administration will give this a high priority is uncertain at best. In this respect the Bush

43. See generally FERGUSON, *COLOSSUS*, *supra* note 35, at 200–20 (comparing and contrasting British occupation of foreign countries during the beginning of the twentieth century with the current American occupation of Iraq).

44. *Id.* at 207.

45. *Id.*

46. See *id.* at 206–07 (mentioning how the British learned local languages and customs while abroad).

47. See *id.* at 206 (“[The British] generally stayed—until retirement or, as countless colonial cemeteries testify, [even] death.”).

48. *Id.* at 210.

49. See *id.* at 195–96 (explaining how the British helped India establish a system of communications including railroads, waterways, sanitation, medical care, and universities).

50. See *id.* (describing how British rule in India helped establish a “legal framework” and helped “reduce social inequality”).

51. *Id.* at 204.

52. See *id.* at 207, 210–11 (comparing the willingness of the English to live in “inferably hot, disease-ridden countries” to the reluctance of “America’s academic elite” to live abroad).

53. *Id.* at 209.

Administration is not unique among recent administrations. Until we support a qualified civilian-administrative corps, the duration of our hegemony will be diminished.

Another aspect of the Bush policy that will affect the duration of American hegemony is whether the Bush doctrine on exporting democracy proves to be an inspired vision or a utopian fantasy. In his second inaugural address, President Bush enunciated what some have termed the “second ‘Bush Doctrine.’”⁵⁴ He said, “it is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture.”⁵⁵ The greatest good is “ending tyranny in our world,”⁵⁶ yet we have learned that spreading democracy is a difficult task. As indicated previously, it took fifty years of occupation of Germany and Japan to establish permanent democratic institutions.⁵⁷

Yet, President Bush has proclaimed that we will not only transform Iraq into a democracy but also aim to transform the whole Middle East region⁵⁸—an area that has stubbornly resisted democracy for centuries and is virulently anti-American. This is clearly the most radical aspect of the Bush strategy. Yet we now hear from President Bush and other Administration spokesmen that the elections in Iraq have already begun a transformation of the Middle East. Elections were held in Palestine.⁵⁹ President Mubarak has indicated that opposition parties can participate in the next Egyptian elections.⁶⁰ Even in Saudi Arabia we see indications that some reforms are contemplated. Clearly these are positive signs. And yet, some of the more hopeful recent events have little to do with Iraq. It was the death of Yasser Arafat that was critical for progress in Palestine.⁶¹ It was the assassination of former Prime Minister Hariri in Lebanon that led to

54. Interview by Bernard Gwertzman with James M. Lindsay, Vice President, Council on Foreign Relations, in New York City, N.Y. (Jan. 20, 2005), available at <http://digbig.com/4fsmb>.

55. President George W. Bush’s Inaugural Address, 41 WEEKLY COMP. PRES. DOC 74 (Jan. 20, 2005), available at <http://www.whitehouse.gov/news/releases/2005/01/20050120-3.html>.

56. *Id.*

57. See FERGUSON, COLOSSUS, *supra* note 35, at 216 (“[T]he countries where American military intervention has been most successful have been those in which the United States has maintained a prolonged military presence. . . . [E]ven to this day—the deployments of American troops in those two countries [Germany and Japan] remain among the largest anywhere in the world.”).

58. Gaddis, *supra* note 8, at 12–13.

59. Greg Myre, *Palestinian Voting Is Held Without Serious Incident*, N.Y. TIMES, Dec. 24, 2004, at A9.

60. Neil MacFarquhar, *Mubarak Pushes Egypt to Allow Freer Elections*, N.Y. TIMES, Feb. 27, 2005, at A1.

61. See Aluf Benn, *A Year of Opportunity in the Middle East*, WASH. Q., Spring 2005, at 81, 81–82, 89–90 (noting that Yasser Arafat’s death “removed a major obstacle” to Israeli-Palestinian diplomacy, and that the ousting of Saddam Hussein had little effect on Palestinian politics).

pressure on a repressive government in Syria to begin withdrawing its troops.⁶² Mounting resistance to years of corruption and repression in selected countries of the old Soviet Union—Georgia, Ukraine, and Kyrgyzstan—is forcing fundamental reforms.⁶³ It is certainly not clear that there is any link with Iraq. So any definitive conclusion about the impact of the Iraq election is premature.

While most Americans endorse the spread of democracy in principle, the implementation of democracy should sometimes be selective, and timing is important. Authoritarian regimes can sometimes be replaced by a worse regime. Most of us understandably rejoiced when the Shah of Iran was overthrown in 1979.⁶⁴ Today few doubt that this government was replaced by something worse.⁶⁵ In implementing foreign policy, trade-offs are inevitable. “[W]hile the nature of other societies should always be a foreign policy consideration, it cannot and should not always be the foreign policy priority.”⁶⁶ President Bush’s statement in his second Inaugural Address that “America’s vital interests and our deepest beliefs are now one” is an inspiring thought.⁶⁷ However, it does not correspond to reality or survive “careful scrutiny.”⁶⁸ We cooperate with a repressive regime in China to try to prevent the North Korean government from going nuclear—clearly a vital interest. We also cooperate with autocratic Russia on Iran. One of our closest allies in combating Al Qaeda is General Musharraf’s Pakistan—clearly a non-democratic government. We would like to see all of these countries become democratic. In the meantime, we pursue our vital interests by cooperating with them.

It is not clear that spreading democracy by military occupation is the optimum way to encourage the growth of democratic institutions. Over the past half-century, Europeans have found effective alternative ways of nourishing democratic institutions. In South America and eastern Europe, European political foundations, especially the Fredric Ebert Foundation and the Konrad Adenauer Foundation in Germany, have played an invaluable

62. Dexter Filkins, *Syrians Promise to Quit Lebanon by Month’s End*, *U.N. Envoy Says*, N.Y. TIMES, Apr. 4, 2005, at A1.

63. Christopher Walker, *Waiting for the Next Tipping Point in the Former Soviet Union*, GLOBE AND MAIL, June 3, 2005, <http://digbig.com/4fsma>.

64. See Richard N. Haass, Editorial, *Freedom Is Not a Doctrine*, WASH. POST, Jan. 24, 2005, at A15 (stipulating that the Shah of Iran was overthrown twenty-five years ago).

65. See *id.* (“Those who rejoiced 25 years ago in the overthrow of the [S]hah of Iran should reflect on the fact that unattractive regimes can be replaced by something far worse.”).

66. *Id.*

67. Bush, *supra* note 55, at 74.

68. Haass, *supra* note 64, at A15.

role in promoting civil society institutions so essential to successful democracy: political parties, free press, and grass-roots-community organizations. But perhaps the most effective institution in spreading democracy in recent decades is the European Union and its predecessor institutions. The European Union has offered a model for nations aspiring to become democracies—offering incentives, setting standards, and providing financial assistance to countries wishing to join the Union. Whether Spain, Portugal, or Greece in southern Europe, or eastern Europe in the present decade, the European Union has successfully nurtured more democracies than any other institution.

In assessing the future of American hegemony, one must recognize the indispensable role of the United States in maintaining a stable world economy. In particular, one must recognize the direct impact of American domestic policy on the world economy. Unlike most imperial powers of the past, which provided credit for their imperial outposts, the United States has become the world's largest debtor. Today we absorb 75% of the world's discretionary savings.⁶⁹ We financed the Iraq war on a credit card. Our \$400–\$450 billion defense budget and \$400–\$500 billion trade deficit have eroded the value of our currency.⁷⁰ The dollar has declined 40% to 50% against the Euro in the last three years.⁷¹ The first George W. Bush Administration expanded domestic government expenditures by 33%, the largest expansion of the federal government since President Lyndon Baines Johnson.⁷² Although the U.S. economy remains the largest single economy, the share of world financial reserves held by the United States is 2.7%.⁷³ And yet the Bush administration is proposing a massive overhaul of Social Security that would involve borrowing an additional \$2 trillion over the next decade.⁷⁴

69. Posting of Rebecca McCaughrin to Global Economic Forum, <http://www.morganstanley.com/GEFdata/digests/20041108-mon.html> (Nov. 8, 2004).

70. SLIVINSKI, *supra* note 42, at 8; *see also* CONG. RESEARCH SERV., LIBRARY OF CONG., CHINA'S TRADE WITH THE UNITED STATES AND THE WORLD 14–15 (2005), *available at* <http://fpc.state.gov/documents/organization/48587.pdf> (listing the 2004 U.S. trade deficits with selected countries).

71. FERGUSON, COLOSSUS, *supra* note 35, at 283.

72. SLIVINSKI, *supra* note 42, at 1.

73. INT'L MONETARY FUND, WORLD OUTPUT, TRADE, AND RESERVES SHARES (2002) (on file with author).

74. Mike Allen, *Bid to Change Social Security Is Back: Bush Aides Resurrect Plan for Personal Retirement Accounts*, WASH. POST, Nov. 21, 2003, at A14.

Some central banks have already begun to shift some of their assets to the euro.⁷⁵ If leading OPEC (Organization of the Oil Petroleum Exporting Countries) nations were to shift oil sales out of dollars into euros, it could lead to a crash of the dollar and a severe threat to the stability of the world economy.⁷⁶ It is this continued profligacy by the Bush government, aided by a supine Congress, that poses the greatest threat to the stability of the world economy and to the future of American hegemony—a greater threat than the possibility of a continued unilateralist foreign policy.

One obvious question yet to be addressed is whether U.S. hegemony is likely to be replaced by another hegemon in the next two decades. This is unlikely in my view. However, the preeminent position of the United States is likely to erode in the economic field given the growing power of China and the European Union. China is the favorite candidate to succeed the United States as the dominant hegemon of the twenty-first century.⁷⁷ China's dramatic economic surge of the past two decades, averaging almost 10% per year,⁷⁸ has already made it the dominant local power in Asia, and is rapidly reshaping the world economy.⁷⁹ According to many experts, the Chinese economy could equal or surpass the United States as the world's largest economy by the year 2025.⁸⁰ China has a strong currency; it has a trade surplus with not only the United States but Europe as well.⁸¹ China has financial reserves of over \$600 billion⁸² and is one of the two largest holders of U.S. Treasury bonds.⁸³ China is rapidly acquiring oil reserves

75. T. R. REID, *THE UNITED STATES OF EUROPE: THE NEW SUPERPOWER AND THE END OF AMERICAN SUPREMACY* 242 (2004).

76. Bernard V. Lopez, *Upshot: The Dollar Bubble*, *BUS. WORLD*, Jan. 6, 2005, at 4, available at LEXIS, News Library, BusinessWorld File; see also REID, *supra* note 75, at 242 ("The members of OPEC . . . are already moving toward selling their product in euros.")

77. See FERGUSON, *COLOSSUS*, *supra* note 35, at 260 ("[T]he Chinese economy could overtake the American economy in size in 2041.")

78. See *id.* ("In the past twenty years the average annual growth rate of real Chinese GDP has been between 8 and 12 percent.")

79. See generally David Hale & Lyric Hughes Hale, *China Takes Off*, *FOREIGN AFF.*, Nov.–Dec. 2003, at 36 (analyzing the effects of China's emerging economic power and success on China's neighboring countries, the United States, and other trading partners).

80. E.g., Arvind Virmani, *Economic Performance, Power Potential and Global Governance: Towards a New International Order* 32 (Indian Council for Research on Int'l Econ. Relations, Working Paper No. 150, 2004), available at <http://www.icrier.org/wp150.pdf>.

81. CONG. RESEARCH SERV., *supra* note 70, at 14.

82. Deepak Lal, *How Foreign Reserves Could Make China Yet Stronger*, *FIN. TIMES* (London), Dec. 29, 2004, at 11.

83. David Ethridge, *A Rising Tide for Floating the Yuan*, *BUSINESSWEEK ONLINE*, July 31, 2003, http://www.businessweek.com/investor/content/jul2003/pi20030731_4659_pi031.htm.

and companies throughout the world⁸⁴ and is today the largest customer for Iranian oil.⁸⁵

At the same time, China has been increasing its military budget by 10% to 12% a year for the past decade and plans to continue.⁸⁶ Yet China's defense expenditures are a fraction of those of the United States and NATO Europe.⁸⁷ If current trends continue, China's military capacity by 2025 will still be dwarfed by that of the United States.

Another uncertainty in regard to China is whether it will remain a unified country, or whether it will succumb to internal conflicts leading to territorial divisions. The steadily eroding legitimacy of the Communist Party and the loosening of its grip on Chinese society, due to affluence and the impact of technology and mass communications, mean that the future of China until the end of the century remains uncertain.⁸⁸ Despite these challenges, China is certain to become the dominant power in Asia in the next several decades substantially reducing American influence in Asia.

An even stronger competitor for predominance in the world economy during the next several decades will be the European Union. Europe's limited military capacity (compared to that of the United States) has obscured the emergence of the European Union as a decisive challenger to the continued U.S. dominance of the world economy. As the journalist T.R. Reid points out in his new book, *The United States of Europe*, by 2005 the European Union already "has more people, more wealth, and more trade," as well as "more votes in every international organization than [does] the United States."⁸⁹ In the euro, the European Union has the world's strongest currency, a currency that could eventually replace the dollar as the world's principal reserve currency.⁹⁰

84. See ENERGY INFO. ADMIN., U.S. DEP'T OF ENERGY, COUNTRY ANALYSIS BRIEF: CHINA 4-5 (2005), <http://www.eia.doe.gov/emeu/cabs/china.pdf> (discussing China's acquisition and exploration of oil in other countries to increase its oil capacity and reserves).

85. Primit Mitra & Drew Thompson, *China and India: Rivals or Partners?*, FAR E. ECON. REV., Apr. 2005, at 30, 32, available at <http://digbig.com/4fsky>.

86. See Mark Magnier, *China Seeks to Allay U.S. Fears as Summit Nears*, L.A. TIMES, Aug. 26, 2005, at A3 ("China's official military budget, currently about \$30 billion, has increased by more than 10% a year in the last decade.").

87. See CTR. FOR ARMS CONTROL AND NON-PROLIFERATION, U.S. MILITARY SPENDING VS. THE WORLD (2005), <http://www.armscontrolcenter.org/archives/001221.php> (comparing military budgets from various countries).

88. See OFFICE OF THE SEC'Y OF DEF., U.S. DEP'T OF DEF., ANNUAL REPORT TO CONGRESS: THE MILITARY POWER OF THE PEOPLE'S REPUBLIC OF CHINA 8 (2005), available at <http://www.defenselink.mil/news/Jul2005/d20050719china.pdf> (discussing how leaders of the Chinese Communist Party "have relaxed their grip" on economic issues).

89. REID, *supra* note 75, at 1.

90. See *id.* at 85-86 ("The emergence of a new currency backed by some of the richest nations

Whereas Europe until recently has been content with its role as a regional power, this has changed decisively during the past three years according to recent public opinion polls. The Iraq intervention by the United States has turned out to be a unifying force for European public opinion and especially for the generation under forty.⁹¹ This sharp change in opinion has led to strong public support for Europe becoming a superpower. In several polls taken in 2003, 70% of Europeans supported Europe becoming a superpower as a countervailing power to the United States.⁹² British Prime Minister Tony Blair, the most pro-American leader in Europe, stated in 2004 about the European Union:

“[Y]ou have to remember what we are doing here. We are building a new world superpower. . . .

Look—the United States is plainly the superpower of the world today,” . . . “But the argument is that a single-power world is inherently unstable. I mean, that’s the rationale for Europe to unite. When we work together, the European Union can stand on par as a superpower and a partner with the U.S. The world needs that right now.”⁹³

That is not a quote from Jacques Chirac but from Tony Blair, America’s closest ally in Europe. This reflects the strong determination of Europe after the beginning of the Iraq War to change a world that has been dominated by the United States for half a century. Yet it is important to note that European leaders aspire for the European Union to be an economic superpower, not a military superpower. Whether one can truly be a “superpower” without comparable military strength is doubtful.

Another sign of growing European-economic power is the steady acquisition of American firms by European companies. Although rarely noticed, European-owned firms produce a wide variety of American consumer goods such as oil companies like BP (British Petroleum) in Britain—which now owns Amoco—and Royal Dutch Shell in the Netherlands—owner of Shell and Texaco; German-owned Daimler Benz

on earth and used as the medium exchange for the planet’s wealthiest trading bloc could pose a serious threat to the dollar’s vaunted stature as the world’s preferred reserve currency.”).

91. *See id.* at 3, 199 (describing the unifying effect of the dispute in Iraq on “Generation E”: Europeans in “the age group ranging from about eighteen to forty . . . [Generation E] considers the entire continent—not just one country or city—to be ‘home’”).

92. *Id.* at 10–11.

93. *Id.* at 4 (quoting Tony Blair, British Prime Minister).

produces Chrysler cars and Jeeps; Verizon telecommunications operates as a subsidiary of the British company Vodaphone; and Unilever in Switzerland owns Ben and Jerry's ice cream.⁹⁴ There are dozens of other examples, and the number keeps growing. In the 1990s, Europeans provided three-fourths of the total foreign investment in the United States and invested more in one state, Texas, than all American companies did in Japan.⁹⁵ This is likely to accelerate as the dollar declines further against the euro. While investment and trade flow both ways across the Atlantic, Europeans increasingly play a stronger role, a reversal of many decades of American preponderance. According to one American expert, "[n]ot since the colonial era, when Britain, France, and Spain each claimed imperial sway over segments of the broad land that would become the United States, has so much of the American economy been under the control of Europeans—or any other foreign interest."⁹⁶

Another sign of increasing European influence is in the setting of world standards. For the past half century, it was not only the American dollar that was the universal currency standard, but also American standards in antitrust, pharmaceuticals, agricultural products, packaging, and environmental regulations. No more. Now with 450 million people and a common currency serving most of them, the European Union is increasingly in a position to impose its standards on the rest of the world, or at least that part of the world that desires access to its markets. When the U.S. Justice Department approved the merger of General Electric (G.E.) and Honeywell in early 2001, G.E. and Honeywell executives assumed that there would be no further antitrust problems.⁹⁷ But an obscure Italian bureaucrat who headed the Directorate General for Competition at the European Union in Brussels, Signor Mario Monti, concluded that such a merger would stifle competition in Europe.⁹⁸ Signor Monti rejected the passionate entreaties of the world's most powerful businessman, Jack Welch of G.E., despite an intervention by the President of the United States, and the G.E.-Honeywell deal was dead.⁹⁹ Not only G.E., but also a series

94. *Id.* at 113–15.

95. JOSEPH P. QUINLAN, CTR. FOR TRANSATLANTIC RELATIONS, DRIFTING APART OR GROWING TOGETHER?: THE PRIMACY OF THE TRANSATLANTIC ECONOMY x, 14 (2003), available at <http://transatlantic.sais-jhu.edu/PDF/publications/Quinlan%20Text%20FINAL%20March%202003.pdf>.

96. REID, *supra* note 75, at 115.

97. *See id.* at 102 (stipulating how certain distinctions between GE and Honeywell “were good enough” for Washington).

98. *See id.* at 102–03 (describing Monti's assessment that the “bundling” of Honeywell and GE products would hurt European competitors).

99. *See id.* at 103–04 (detailing Jack Welch's and President Bush's attempts to prevail in the

of powerful American companies like Microsoft, Intel, Coca-Cola, and WorldCom/MCI would learn that Brussels is not prepared to let the U.S. Justice Department set the global antitrust agenda.¹⁰⁰ This is one more indication of the shift in the balance of world economic power after the expansion of the European Union accompanied by a common currency and common standards.

Whether the European Union will be able to sustain the current momentum is not wholly clear. Divisions remain on foreign policy issues; the ratification of the European Constitution was vetoed by popular referendums in France and the Netherlands; unemployment remains around 10% and growth rates are faltering in several leading member states; and most importantly, Europe faces a staggering population decline if present demographic trends continue.¹⁰¹ So while Europe has quietly reduced worldwide-American economic dominance in recent years, it is not likely to replace the United States as a world hegemon in the next several decades.

If neither China nor Europe is likely to replace the United States as the dominant hegemon in the near-term future, what are the other major factors that will extend or curtail American hegemony in this century? Clearly the threat of terrorism by fanatical fundamentalist groups will continue to loom large, particularly terrorist threats based on Islamic fundamentalism. The stated determination of the Bush Administration to engage itself in the Middle East, including the Israel-Palestine issue, is a sign of progress, particularly if the Administration works in combination with its European NATO partners. The increased attention to important global issues by the Administration such as the Millennium Program for Africa, increased resources for fighting AIDS, debt relief for poor countries, and a renewed urgency about reform of the UN, combined with a willingness to address many of these multilaterally, certainly represents progress.

In conclusion, while I have emphasized the negative shift in the balance of economic power in the world, I do not overlook the many advantages that the United States continues to have. Notwithstanding growing competition from Europe and China, the United States remains attractive to foreign investors because it continues to have a strong

European Union's anti-trust review).

100. *Id.* at 90. *But see* Adam Cohen & Mary Jacoby, *EU's Kroes Puts Consumers First in Merger Cases*, WALL ST. J., Sept. 26, 2005, at A17 ("The European Union's antitrust commissioner says she intends to evaluate mergers and monopolies on the same terms U.S. authorities do, which would complete a gradual but profound change in EU antitrust policy since its regulators in 2001 famously blocked a U.S. merger that U.S. authorities had approved [the G.E.-Honeywell merger].").

101. FERGUSON, *COLOSSUS*, *supra* note 35, at 239-41; Andrew Moravcsik et al., *Europe Without Illusions*, PROSPECT, July, 2005, at 111.

research-based economy, flexible labor practices, and newly strengthened companies following recent scandals. Unlike Europe, Japan, China, and India, the United States has a favorable population-to-land ratio. Its population continues to grow and is substantially younger than Europe or Japan.¹⁰² Most of the world's best universities are in the United States. Unless inflexible implementation of the Patriot Act prevails,¹⁰³ these universities will continue to attract some of the world's most talented and entrepreneurial people to our country.

Although the balance of world economic power is shifting, I anticipate no comparable shift in the balance of military power. The overwhelming American superiority, based on a defense budget larger than the next twenty countries combined,¹⁰⁴ is likely to continue for at least several decades and perhaps beyond. What is less certain is whether the American economy, given current policies and trends, can sustain this imperial military force into the second half of this century. What threatens our hegemony is not so much a rival power, but the threat of "imperial overstretch" that has undermined so many empires of the past. It is the domestic policies of this Administration that pose the greatest threat to long-term-American hegemony, not the unilateralist foreign policy of the first term of George W. Bush's presidency. As indicated, there are already strong signals that, in its second term, the Bush Administration is moving in a more multilateral direction. One important reason for this, and it is not the only reason, was stated by Robert Kagan, the conservative scholar who has strongly supported the Administration's policy on Iraq, and whose book *Of Paradise and Power* has had an enormous impact on policymakers on both sides of the Atlantic.¹⁰⁵ He stated that the Bush policy of the first term would have to change, if for no other reason than the American people will not long support a policy that is viewed as illegitimate by their "closest democratic allies."¹⁰⁶ As indicated earlier, the Bush Administration may be beginning to understand this lesson. Because there is little evidence that the Bush

102. Cf. REID, *supra* note 75, app. 1 at 246 (forecasting difficulties that may result with Europe's "low birth rates across the continent").

103. See John N. Paden & Peter W. Singer, *America Slams the Door (On Its Foot): Washington's Destructive New Visa Policies*, FOREIGN AFF., May-June 2003, at 8, 9-10 (detailing restrictions imposed upon foreign students and academic institutions under the USA Patriot Act and the corresponding decline in the number of foreign students and faculty).

104. See CTR. FOR ARMS CONTROL AND NON-PROLIFERATION, *supra* note 87 (providing a table with information on countries' military spending).

105. See Michael Cox, Commentary, *Martians and Venutians in the New World Order*, 79 INT'L AFF. 523, 528, 530 (2003) (noting the attention given Kagan's work by British newspapers and its influence on the Bush administration).

106. Robert Kagan, *America's Crisis of Legitimacy*, FOREIGN AFF., Mar.-Apr. 2004, at 65, 85.

Administration understands the danger of imperial overstretch, the duration of American hegemony will be in doubt.