2013 POLICY RECOMMENDATIONS FOR THE OBAMA ADMINISTRATION

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Overview

The world is shifting—slowly but inexorably—toward a multi-polar system. The United States will continue to be the most powerful country in the world for the foreseeable future. But we will not be able to regain the unique position we had in the immediate aftermath of the Cold War. Other countries, notably China, will be seeking a greater role in international affairs. The shift toward a more multi-polar world makes it imperative for the United States to adopt a balancing strategy that reduces unnecessary commitments and enhances our flexibility.

- **Recommendation 1:** A two-track approach to China, emphasizing cooperation even as we maintain ties with existing allies, like Japan, and cultivate better relations with other regional powers, such as India.
- **Recommendation 2:** Retrenchment in the Muslim world, where our costly involvements in Iraq and Afghanistan demonstrate the danger of overestimating our power and overtaxing our resources.
- **Recommendation 3:** A reassessment of our role in the Palestinian-Israeli peace process, in light of the past failure of U.S. efforts and the rapidly closing window of opportunity for a two-state solution.
- **Recommendation 4:** A low-key approach to the “Arab Spring” that recognizes the limits in our ability to shape events in the Middle East.
- **Recommendation 5:** Further reduction in our military profile in Europe, which, despite its economic travails, is more secure from foreign attack than any period in recent history.
- **Recommendation 6:** Avoidance of unnecessary confrontation with Russia, a country that—except for its nuclear arsenal—poses little strategic threat to the United States.

The balancing strategy we suggest will no doubt raise criticisms from isolationist and interventionist alike. But we believe that will resonate with the public during an era of economic hardship and fiscal austerity.
Background

Crafting a grand foreign policy strategy is easy; the grander, indeed, the easier. Any group of foreign policy experts, whatever their partisan persuasion or personal background, can produce an impressive list of ambitious goals for any president embarking on a term in office. Actually implementing a strategy, on the other hand, is excruciatingly difficult. On Jan. 20, 2013, President Obama will face a host of constraints, both foreign and domestic. At home, he will find his freedom of action limited by the Congress’ powers of oversight and the budget; bureaucratic inertia at the Departments of State and Defense, the Central Intelligence Agency, and other agencies; and a multitude of interest groups lobbying on behalf of often contradictory positions. Abroad, the president will face those crises—unpredictable by their very nature but potentially historic in their consequences—that have driven U.S. foreign policy from the onslaught on Pearl Harbor to the attack on the World Trade Center. There will be times that he will laugh ruefully at the very concept of the “imperial presidency.”

This is not to counsel despair. The president of the United States bears a unique responsibility both for the welfare of our citizens and for the stability of a world that grows ever more interdependent. And his power, though far from absolute, is substantial. He retains primary authority for the conduct of U.S. foreign policy and significant freedom of action in the international arena. Above all, he is the leader of the preeminent state in the world. Despite recent difficulties, the United States remains an economic giant with an incomparable store of human, physical, and institutional capital. Our cultural reach—through music, films, and television—is unparalleled. Our ideology—democratic capitalism—has no global rival. Our network of allies, both formal and informal, gives us a unique ability to leverage our power on a global scale. We possess an important, sometimes decisive, voice in international bodies like the UN Security Council and the International Monetary Fund. Not least, we possess a military establishment able to project decisive force at immense distances.

Still, it is vital that the president husband his political capital at home and the nation’s credibility abroad. He should beware, in particular, of raising unreasonable expectations in the international arena. This is particularly true of issues, like the Arab–Israeli dispute, that prompt high emotion even as they defy solution. Presidential flights of rhetoric can both educate and inspire. But they should always keep the ground firmly in sight.

The key geopolitical fact facing the president—and, indeed, his successors for decades to come—is the world’s gradual shift to a multi–polar system. There is no point in joining the debate on American decline, a fruitless argument that generates much heat but little light. The facts are simple: today the United States represents roughly 20–25 percent of world GDP and spends about as much on defense as the rest of the world combined. It is hard to imagine the circumstances under which this will be true in 25, much less 50, years.
Let us make one thing clear: the United States is not falling behind. Others are simply catching up. That they are doing so does not reflect the superiority of their political or economic systems to our own. Countries like China and India, with their huge and relatively poor populations, are better positioned—given reasonable economic policies—to post growth rates higher than ours. We should expect economic convergence over time. Indeed, were such convergence not to occur, it would represent a true tragedy for the hundreds of millions of individuals in these countries who still endure lives of material privation. When China eventually surpasses the United States in GDP, it should not be an occasion of national panic but of sober reflection upon the challenges a more multi-polar world presents us.

Moreover, the United States will remain the most powerful country in the world for the foreseeable future. No other state begins to possess our mix of economic, diplomatic, and military power. But the idea that we will regain and permanently retain the unique position in world affairs that we enjoyed in the aftermath of the Cold War is a fantasy. Other countries will be expanding their influence in world events whether we like it or not. Our resources are finite. Our influence is limited. We are no longer in a position to squander either.

We will discuss, at some length, how we can best balance the increasing power of China. But it should be stressed that the balancing strategy we propose is not limited to the specific case of China. Were a rising India, for instance, to threaten U.S. interests in the future, we might well find ourselves joining Beijing in balancing New Delhi’s ambitions. The point of a balancing strategy is to provide the United States with flexibility in an uncertain world. And this will require the exercise of nimble diplomacy and, even more importantly, a hard-nosed, even ruthless, effort to free ourselves of costly commitments in places like the Middle East.

**Recommendation 1: Adopt a two-track approach to China**

China’s economic rise is surely the most important geopolitical development since the end of the Cold War. Chinese leaders clearly see their country as a future superpower. And they have, unsurprisingly, sought an international role commensurate with China’s economic strength.

It is vital that we not exaggerate the threat posed by China, particularly in the near term. Its military establishment, though modernizing, is modest compared to the United States. China is not years, but decades away from matching our ability to project power. It remains, after all is said and done, a very poor country compared to the United States. It faces challenges—ranging from an undercapitalized domestic banking sector to a housing bubble—that may prompt a slowdown in growth in the short- to medium-term. Even China’s vaunted export sector faces stiff competition as wages rise relative to countries like Vietnam. Not least, its government—though still nominally communist—depends upon continued high growth for its legitimacy.
The last factor, in particular, makes it imperative that we adopt a hedging strategy toward China. We simply do not know the future of Chinese domestic politics. Will China move in a democratic direction? Will its current leadership turn in a more nationalistic direction if its hold on power is threatened? Will the country descend into disorder? Given these imponderables, we must lay the groundwork now for a possible deterioration in Sino-American relations. The historical record when it comes to the rise of new powers is sobering: the rise of Germany and Japan in the late 19th and first half of the 20th centuries suggests that emerging powers can introduce instability into international orders.

We do not have to look far for partners in addressing the rise of China. We have traditional allies in Japan, South Korea, and Australia. India can provide an important counterbalance to Chinese influence. To a lesser extent, so can countries like Vietnam, which have long harbored suspicion of Chinese regional ambitions. Russia, too, may one day be a key element in any strategy to balance growing Chinese strength, an important reason to keep our relations with that admittedly troublesome country from deteriorating too far.

A two-track approach to China will require deft diplomacy if we are to undertake it without prompting a sharp and counterproductive Chinese response. We will need to match efforts to cultivate potential partners, such as India, with outreach to China on areas of mutual concern. The latter includes handling what will almost certainly be the ultimate collapse of the North Korean regime, limiting the proliferation of weapons of mass destruction, combatting terrorism, and ensuring the security of international sea lanes.

Above all, we need to restrain our rhetoric. Tibet, Taiwan, and, above all, trade are all potential areas of disagreement between the United States and China. The president’s object should be to manage these differences in ways that minimize damage to the overall U.S.-Chinese relationship. And he should be neither surprised nor outraged when China asserts prerogatives—in international forums, in territorial disputes, or even in the foreign policy of its neighbors—that have long been accepted as the norm for great powers.

The day may—and we stress “may”—come when we will have to confront China. To hasten that day unnecessarily, however, would be an act of historic folly. Conflict between the United States and China is by no means inevitable. Moreover, we will have time to counteract any rising military threat from China, which is still far from representing a substantial challenge to our naval and air forces. Remember: there is no better way to make an enemy than to go looking for one. And, with China, we would face an enemy more formidable than any we have confronted since the end of the Cold War.

**Recommendation 2: Pursue a policy of retrenchment in the Muslim world**

Reducing our military commitments in the Muslim world will be crucial to a new balancing strategy. Since the turn of the century we have embarked on major military
operations in Iraq and Afghanistan; intervened, more modestly, in Libya; and conducted drone campaigns in Pakistan, Yemen, and Somalia. This is not the place to debate the wisdom of these efforts, either individually or as a group. But we must acknowledge their cost. These military operations—particularly those in Iraq and Afghanistan—have exacted a heavy human and financial cost in terms of thousands of lives lost and trillions of dollars expended; they have left us strategically overextended; they have wearied the American public; and, in some instances, they have given rise to unintended consequences injurious to U.S. national interests. (The chief strategic beneficiary of our invasion of Iraq, for instance, was arguably Iran.)

Our combat involvement in Iraq is mercifully behind us. The Obama administration should place a high priority on achieving a similar outcome in Afghanistan. Our large military presence there has long outlived whatever strategic rationale it might once have possessed.

In addition, the administration should carefully assess our ongoing drone campaign. It has no doubt reaped benefits in our efforts to neutralize terrorist threats. But it has also created a backlash among the affected populations, the results of which may take years to become clear.

Finally, the administration should be very careful—very careful, indeed—about approving a strike against Iran’s nuclear facilities. It would be truly tragic were we to end our entanglements in Iraq and Afghanistan only to embark on a policy of military confrontation with Iran of unknown duration and unforeseeable consequences.

**Recommendation 3: Reassess our role in the Israeli–Palestinian peace process**

The Arab–Israeli dispute has bedeviled U.S. policymakers for a half-century. For the last 20 years, we have repeatedly tried—and repeatedly failed—to broker a lasting settlement between Israelis and Palestinians. It may well be that the window of opportunity for a two-state solution has already closed. Settlements in the West Bank are now so extensive and politically sensitive in Israel that a viable Palestinian state may no longer be possible. Indeed, we might be entering a period during which both Palestinians and Israelis will be forced to acknowledge a future where the peace process as we know it is obsolete.

Even if a two-state solution is still within theoretical grasp, the current facts on the ground are not promising. Palestinians remain hopelessly divided. The ongoing expansion of settlements in the West Bank makes it increasingly difficult for any Israeli government to compromise. We need to reassess our long-standing step-by-step approach to the peace process, which has permitted extremists on both sides to scuttle negotiations. If the president chooses to make brokering an agreement between Israelis and Palestinians one of his top priorities, he must be prepared to take an active role in developing the details of a settlement, exacting the concessions from both parties necessary to reach it, and moving rapidly toward final status negotiations. Above all, he will have to overcome
strong domestic opposition to any pressure on Israel. Whatever he does, the president must be careful about making promises that he cannot deliver. When it comes to the peace process, a half-hearted effort is often worse than no effort at all.

**Recommendation 4: Take a low-key approach to the “Arab Spring”**

The so-called “Arab Spring” is a historic event of complex origins, ambiguous course, and unknown future outcomes. Above all, it is an Arab phenomenon that will be driven by Arab elites and populaces. More democratic government in the Middle East may, at least in the short- and medium-term, adversely affect our other interests in the region. Moreover, our ability to control events in the Arab world is severely constrained. Our general support for democracy must be tempered by our very specific interests in the region, above all the maintenance of peace between Egypt and Israel and the stable supply of oil to world markets. Again, it would be wise to restrain our rhetoric. In any case, clarion calls in support of democracy in the Middle East will ring hollow with Arab populations who are aware of our long—and continuing—support for autocrats in the region.

**Recommendation 5: Further reduce our military profile in Europe**

The ongoing Eurozone crisis should not blind us to a fundamental strategic truth: Europe is safer today than ever before. The idea of war between countries of the EU is unimaginable; the prospect of military conflict between Russia and members of NATO is far-fetched. There is no compelling strategic reason to maintain a significant U.S. military presence in the region. That presence has been declining since the end of the Cold War; it should be reduced further.

**Recommendation 6: Avoid unnecessary confrontation with Russia**

It is important not to overstate the threat Moscow poses. Russia today remains a pale shadow of the once-great Soviet Union. It still possesses a substantial nuclear arsenal. Its conventional military capabilities may be sufficient to threaten its smaller neighbors. But the Russian military represents little strategic challenge to the United States and our NATO allies in Europe. Russia's huge production of oil and gas gives it clout in international energy markets. But even this influence may wane with increased production of shale oil and gas in other regions, notably North America. The bottom line: except for its nuclear weaponry and vast hydrocarbon resources, Russia would be a middling power at best.

Moscow’s relations with some states of the former Soviet Union—notably Ukraine, and especially Georgia—have been troubled. Extending immediate NATO membership to them would prompt a sharp reaction from Moscow; more importantly, it could also draw the United States into military confrontation. The Russo-Georgian War of 2008 illustrates this risk. Whatever the merits of Georgia’s case against Russia for Moscow’s support of
the breakaway regions of Abkhazia and South Ossetia, the recklessness of the Georgian government created an excuse for a Russian military counterstrike. Article V of the North Atlantic Treaty—which binds members to aid each other in the event of an attack—is a solemn and consequential undertaking. We cannot take it lightly. Is the United States really prepared to go to war with Russia should conflict again break out between it and Georgia? A “go slow” approach to NATO membership for Georgia and Ukraine would minimize the risk of finding ourselves drawn into disputes of modest strategic import. Such an approach would also find support among other NATO members, notably Germany.

Conclusion

We realize that we have not addressed important regions such as Latin America and Africa. Nor have we discussed—except in passing—critical issues like trade, terror, and nonproliferation. We are not suggesting that the president ignore them. But it is vital that he prioritize his efforts as president. A grand strategy is, above all, about making choices in a world where presidential capital and U.S. influence are both finite. “All of the above” is not a suitable answer to the question “Where should the president of the United States focus his foreign policy?” It is an open invitation to strategic incoherence and, ultimately, passivity as he finds himself drawn in a hundred directions.

Interventionists—both liberal and conservative—will no doubt decry our strategy as a retreat from our special place in world affairs. Isolationists of the Right and Left will, with equal certainty, assail it for asserting a continuing leadership role for the United States.

In particular, the president will be criticized for abandoning the long-standing U.S. commitment to promoting democracy and protecting human rights. Nothing could be further from the truth. We are merely suggesting that he place our values within the context of our other interests. Indeed, the strategy we support reaches back to the very early days of the Republic. John Quincy Adams, then secretary of state to President James Monroe, summed up our position eloquently in a July 4, 1821, address to the U.S. House of Representatives. (We retain original spelling.)

“Whenever the standard of freedom and independence has been or shall be unfurled, there will be America’s heart, her benedictions and her prayers. But she does not go abroad in search of monsters to destroy. She is the well-wisher to freedom and independence for all. She is the champion and vindicator only of her own. She well knows that by once enlisting other banners of foreign independence, she would involve herself beyond the power of extridition, in all wars of interest and intrigue, of individual avarice, envy and ambition which assume the colors and usurp the standard of freedom ... She might become the dictress of the world but would no longer be ruler of her own spirit ... Americans should not go abroad to slay dragons they do not understand in the name of spreading democracy.”
We believe that a balancing strategy, if properly explained and competently implemented, will find wide support from an American public that is weary of endless war but well aware that we cannot simply withdraw from world affairs. This is particularly true today, as we confront a sluggish economy and a looming debt crisis. There is a real risk that the American public will in time turn away from U.S. engagement abroad. A balancing strategy will help avert this possibility by reducing unnecessary commitments and focusing foreign policy on our truly vital national interests: the security of our citizens and their economic well-being.

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