NATO in a Multipolar World

U.S. Foreign Policy Discourse and the Future of NATO

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NATO in a Multipolar World

U.S. Foreign Policy Discourse and the Future of NATO
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Ina Hjellet

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Trykk: Reprosentralen, Universitetet i Oslo
To my mother and grandmother

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Chapter One

Introduction

1.1 General Introduction

The North Atlantic Alliance has been cleverly described by Michael Howard as a successful, though not necessarily happy marriage of convenience. The arrangement was entered into with a specific purpose, intended to unite properties, appease enmities and above all produce and bring up children. Whatever the spouses felt about each other, they stuck together to achieve these ends. The marriage worked and the more problems it overcame, there stronger were the bonds that bound it together. After the Cold-War concluded, the goals of the arranged marriage had been attained, which led to many questions of whether the marriage should be dissolved and its partners left free to look elsewhere for security. But the characteristic of an arranged marriage was that they did not dissolve and neither did NATO. Scholars continued debating nevertheless whether transatlantic ties were weakening and if there was any purpose for NATO to continue as a security alliance after the fall of the Soviet Union. The underlying question, to be or not to be, emerged even before the end of the Cold War but in recent years the anxieties and long term strategic questions implied in this overarching issue have been largely eclipsed, at least publically, by three concrete issues that are debated by defense establishment of NATO countries. First, the issue of burden-sharing; second, the debate on what purpose the alliance should have and third, whether or not the alliance should seek enlargement. These three debates in addition to the questions of the transatlantic relationship form the base of this thesis.¹

The debate about NATO’s existence features two essential elements. First is that transatlantic ties are weakening and second, that since the end of the Cold War NATO has had no clear stated purpose. Behind the argument of weakened transatlantic ties lies a perception that the U.S. and its European allies have developed different goals and priorities in their respective foreign policies. In addition, scholars argue that America’s stake in the European economy and a generation of European and American elite committed to the idea of an
Atlantic community was a strong, unifying force that is now eroding. The erosion of these unifying forces could be seen even before the Soviet Union dissolved, but with the disappearance of the Soviet Union as a unifying threat the debate really ignited and scholars began questioning the purpose of NATO. This debate has continued despite the survival of NATO until present day but is foremost a discourse among scholars and not the member countries of the alliance. The three aforementioned NATO-linked issues are internal as well as external debates that could affect the immediate future of NATO.\(^2\)

Burden-sharing is a continued source of conflict in NATO, with the U.S. on one side and the European NATO members on the other. Former U.S. Secretary of Defense Robert Gates addressed this problem in his last speech to NATO saying he worried that NATO was a two-tiered alliance, where the U.S. was a producer of security while the European NATO members were merely consumers. The U.S. provides for 75 percent of the alliance’s budget and only five of the European NATO members spend the agreed upon two percent of GDP on defense. While the U.S. clearly wants the European NATO members to take increased financial responsibility for NATO and the security on the European continent, Washington has not succeeded but continues to push the issue.\(^3\)

The two remaining debates are closely intertwined. Generally there are two basic approaches to NATO: maximize or minimize. Should NATO go global opening up to members across the world and take on military operations outside of NATO’s core area? While the smaller European countries advocate an alliance that has a stronger commitment to Article Five in the Atlantic Charter, the U.S. seeks an alliance that can contribute to military operations also outside of Europe. As for opening up to new members, NATO has since 1991 included new members into NATO, but although more European countries are seeking membership the process of enlargement has come to a halt. Enlarging NATO carries with it a problem vis-a-vis Russia in Europe and China on a global scale. In addition many worry that enlarging NATO will make the alliance less efficient. These are largely the issues that NATO has been dealing with over the past two decades, and to further analyze how these debates might affect the future of NATO I have put them in the context of broader questions of American foreign policy.

Since the 2008 financial crisis there has been a continued debate on the decline and future role of the U.S. in the world. The economic situation and the declining role of the U.S. in international relations impacts the issue of burden-sharing in NATO, but also more broadly
the debate on the entire post-World War II system. Furthermore, the questions raised regarding the post-World War II system is accompanied with the increasing power of emerging countries leading scholars to question the future power structures of the world which will influence international relations and thereby the issue of NATO’s existence and the transatlantic relationship. Of these emerging powers China and Russia are seen as especially strong and possible contenders of both regional and global influence in the future. The rise of China which has led to a Pacific-centered U.S. foreign policy will affect the debate on whether or not NATO should be a global alliance to remain relevant to the future security challenges in the world. Putin’s assertive Russia continues to create conflicts on the European continent and the relationship between Russia and the West will have increasing influence in the future, thereby affecting the enlargement debate in NATO. The decline of the U.S. and emergence of regional powers with the potential of challenging America on a global scale in the future will change the world and with it the structure of international relations. This thesis will analyze how the future of NATO is affected by these ends.

Numerous books and articles on the subject of transatlantic relations and NATO have been written. This thesis however, provides an analysis of NATO through the eyes of the American foreign policy discourse. It assesses every major debate that has surrounded NATO the past twenty years and places them in the context of major challenges linked to American foreign policy and international relations. By combining an interdisciplinary approach with American studies I believe this thesis will be a valuable contribution to the debate on NATO’s future.

1.2 American Studies

American Studies is an interdisciplinary study including the fields of history, political science, literature and cultural studies. The goal is to gain systematic knowledge of the cultural and historical significance of the United States. The advantage of American Studies is the broad knowledge of American culture as a base for analyzing various aspects within the American society. This is important when analyzing American foreign policy. Foreign policy is not only a matter for international relations, but also history and culture. This gives a broader perspective and is a valuable addition to the international relations approach especially when studying international relations from an American perspective by giving an understanding of the American culture and identity, political institutions and society. This thesis will examine the foreign policy discourse in the U.S. in relation to the future of NATO and will do so by
taking into consideration the different approaches and not simply operate with one foreign policy approach. It is not a political science thesis, neither a work of history but an American Studies thesis implementing knowledge from a variety of disciplines in the study of American foreign policy in a changing world.

1.3 Thesis Statement and Theoretical Approach

The purpose of this thesis is to examine the foreign policy discourse in the U.S. with regards to the future of NATO. It will look at the challenges NATO has faced since the end of Cold War and analyze how U.S. response to a changing world will affect the North Atlantic Alliance. The thesis will argue that NATO will continue to be a vital alliance with increasing importance as the world becomes more multipolar and security issues will gain increased focus. The theoretical approach for this thesis has its foundation in the academic field of international relations, history and cultural studies.

Understanding international politics is the key to interpret current events and the future path of the U.S. in world politics. Theory provides us with a roadmap that can help analyze unfamiliar issues. Joseph S. Nye Jr. argues that there have been three basic forms of world politics: a world imperial system, a feudal system and an anarchic system of states. How we today think about states is based on the Peace of Westphalia which created the modern territorial state system. It is this system we usually mean when speaking of international politics today and international politics is defined as “politics in the absence of a common sovereign, politics among entities with no ruler above them.” It is important to distinguish between domestic and international politics because domestic laws are protected by the police and courts which have mandate to enforce sanctions against those who break the rules. In a domestic political system the government has monopoly on the legitimate use of force, this is one of the key determiners of a nation state. In international politics however, there is no common enforcer, no international police to enforce international law and no one has monopoly on the use of force. In this system there is always a danger that someone might resort to force, because international politics is as Thomas Hobbes described a system of self-help. Some states will always be stronger than others and when force cannot be ruled out, the result is mistrust and suspicion. Within this anarchic system of international politics however, several approaches towards international politics have developed.

Thomas Hobbes and John Locke argued two different views of how harsh a state of nature needs to be. While Hobbs had a more pessimistic approach describing humanity as
being in a constant state of war, Locke had a more optimistic approach viewing people as able to develop ties and contract making anarchy less threatening. These contrasting views of human nature became root to the political philosophies of realism and liberalism respectively. Realism has been the dominant tradition in thinking about international politics. The central problem of international politics is war and the use of force and the central actors are states. Realism is known by its pessimistic view of human nature, a conviction that international relations are ultimately resolved by war; a high regard for the values of national security and state survival and a clear difference between international and domestic politics. Realism argues however, that a constant state of war does not mean the world will always be in war but that is a constant possibility. Liberals however, have a positive view of human nature, a conviction that international relations can be cooperative and a belief in progress. They see a global society that functions alongside the states and sets apart the context of the states. Liberalists argue that the realist view of pure anarchy is insufficient and that realists overstate the difference between domestic and international politics hence misses the growth of economic interdependence and the evolution of a transnational global society. Both approaches have had their upswings and downturns over the course of history and scholars have built on these theories in creating new ones or modifying the classical interpretations.⁶

Kenneth Waltz and Robert Keohane developed structural models of states as rational actors constrained by the international system which were labeled neorealists and neoliberalists respectively. Neorealism or structural realism differs from classical realism by disregarding normative concerns and does not address the issue of human nature and focusing more on the structure of the international system. It has been a much used theory to explain how states behave in the international system and include prominent scholars such as John J. Mearsheimer in addition to Kenneth Waltz. Keohane’s development of liberalism is often referred to as institutional liberalism which argues the important role institutions play in world politics. According to Keohane and Joseph S. Nye Jr. institutions help promote cooperation between states and thereby help reduce the lack of trust between states which is seen as a dominant explanatory factor in structural realism.⁷

Realism and liberalism are international-centered theories focusing on analysis on a system level in explaining state behavior through looking at the international system. A historic or cultural approach can offer a more state-centered analysis on state level examining the foreign policy behavior of states in term of state characteristics. In this way the behavior
of the U.S. in the international system can be analyzed not just by theories of how states interact but also through its historical legacy, the religious or social traditions, or the economic and geographic nature of the state itself. This broader historical and cultural approach can also be found in international relations theory through constructivism, which examines state behavior in the context of state characteristics. States have identities that are defined by political, cultural, economic, social or religious characteristics that influence its foreign policy and these identities define their behavior in the international system. This constructivist or American studies approach supplements the theories of realism and liberalism in a way that allows for the understanding of history, culture and identity in the field of international relations.\textsuperscript{8}

Nye argues that elements from several theories can be useful when forming foreign policies; no single theory holds all answers. This thesis will borrow elements from both realism and liberalism as well as constructivism is shaping the framework for the argument. The background for this thesis is the decline of the U.S. and the rising power of countries such as China. A structural realist approach is useful in an analysis where terms like power, interests and security are essential. This thesis is also written under the assumption that states are the main actors in international relations. However, it recognizes the importance of liberal institutions and the role these have played in the past century. These institutions however, are dependent on a strong leader state. Both Fareed Zakaria and John Mearsheimer argue that the world is or is becoming multipolar which is a consequence of America’s relative decline. The liberal institutions are losing their strong leader, financial institutions are struggling in the wake of the financial crisis and multilateral organizations are being affected by rising powers. This gives room for increased focus on geopolitics and security which is often discussed with realism as a starting point. How the U.S. will react to these changes must be examined with a broader approach including elements from American studies. The goal of this thesis is not to test or develop on a specific theory of international relations but to analyze what role NATO will hold in the future. Theory is simply a roadmap in the assessment of current events, to be able to analyze possible outcomes for NATO in a changing world. The thesis will also apply theory on alliances, their role in international relations and how alliances are shaped and dissolved to analyze why NATO has endured as an alliance and whether or not in will continue to be relevant in the future.\textsuperscript{9}
1.4 Methodical Approach

In the limited pages of this thesis, certain choices have to be made. There are uncountable pages written on the topics of American foreign policy, transatlantic relations and NATO. I have chosen to assess three debates within the elite foreign policy discourse in the U.S. These choices have been made because of the clear relevance and the challenges they pose to both the U.S. and the world. The first debate focuses on American decline and how the current financial crisis affects U.S. power and thereby the structures of international relations. The second debate focuses on the rise of China and geopolitical challenges in the Asia-Pacific theater. The third debate focuses on Russia as a regional power which especially has an effect on NATO and is essential to security issues in Europe. There are other debates in the discourse and other approaches but these have been chosen because they are highly relevant both to the U.S. and NATO. By elite I refer to the debate in scholarly journals, think tanks and among government officials and political representatives and contestants on a national level. To include the popular debate on this issue would be too extensive for these pages. Also, the American public does not to a large degree focus on foreign policy, for instance it is rarely rated as a top priority of issues in election polls. This thesis operates under the assumption that states are the main actors in international affairs and have chosen to focus on those and organizations where states interact such as the UN or the IMF. I have not focused on Non-Governmental organizations or international corporations although I am aware that many argue these are of increasing importance. The main focus of this thesis lies within security issues and the relative power between states and therefore it is my opinion that non-state actors are of less relevance. I have also chosen to exclude the concept of soft power (or smart power) on the basis of the same argument. Economic power followed by hard power will have increasing relevance in a world where more states are seeking increased influence and arguably soft power would not be as important as it has been.

The method used in this thesis is a textual analysis of primary and secondary sources. Studying current events or events in close proximity of time is challenging. No social science has the ability to predict the future but it can through careful analysis contribute to the debate and based on history suggest likely outcomes. With that said, throughout the working period for this thesis Russia has elected a new president, the U.S. and China are in the middle of an election year and the financial crisis is still evolving which has complicated the study. The close proximity in time also affects the access to resources. New additions to the debate are being published on a daily basis which gives close to unlimited access to material. It becomes...
a matter of screening for the best sources. At the same time it can limit the access to important strategic documents like security strategies. Dependence on sources written in English or Norwegian for information on Chinese and Russian activities sets some limitations; assessments on the actions of these countries are based on historical and current actions as reported by the media.

This thesis analyses the foreign policy discourse of the U.S. The journal *Foreign Affairs* is the vantage point in this analysis. It is balanced and offers views from both conservatives and liberals in the U.S. It does perhaps not, give a good view of neither the far right nor the more progressive voices in the debate. Think tanks have been used to correct for this and sources have been cited from the whole political spectrum through a variety of think tanks. Most commonly used have been The Cato Institute, The Heritage Foundation, The Brookings Institution, The Council on Foreign Affairs and the Center for American Progress all among the top ten quoted in American media. Articles from newspapers have also been a valuable addition for sources on current events in addition to speeches. In addition books have been used for historical accounts and to support arguments. The interdisciplinary approach of American studies for studying foreign policy and international relations offers unique insights in the debate.

1.5 Structure

Apart from the introductory chapter and the concluding chapter, the thesis is divided into four main chapters. The first main chapter, chapter two assesses the discourse on American decline from two angles. First, it analyses how overstretch has led to economic decline and second, it argues that because the U.S. is also facing political decline it is unable to address the challenges that come with economic decline. The chapter further assesses the post-World War II system on a broad level and analyses how American decline affects this structure which the western world operates within. Finally it looks at the consequences of decline on the specific issue of burden-sharing.

The third chapter argues that the world is becoming multipolar as a consequence of American decline and the growing strength of emerging powers. This will have an impact on the future structure of international relations and America’s role in the world. The chapter argues that a multipolar world is more unstable than it has been since the Second World War and will lead to increased focus on security issues and alliances. Furthermore, it will affect the underlying issue of the transatlantic relationship and thereby also NATO.
Chapter four assesses the strength of America’s strongest contender for influence in the world: China. It argues that China has already established itself as a regional power and that it has a new assertive foreign policy and the potential of becoming a world power. The chapter assesses how NATO will be affected by the increased focus from the U.S. on the Asia-Pacific region and the potential conflicts that may arise between China and the U.S. Furthermore, it addresses the issue of enlarging NATO on a global scale as well as the debate on out-of-area arguing that the U.S. and its European NATO allies must find a balance between their respective priorities in foreign policy to keep NATO a vital alliance.

The final main chapter, chapter five assesses Russia as a regional power and a potential future pole in a multipolar world. It examines Russia’s relationship with Europe and the U.S. and argues that NATO can benefit from a closer cooperation with Moscow. The chapter also argues that enlarging NATO can offset the relationship with Russia and thereby also the stability of the European continent.

The concluding chapter will summarize how current events and American foreign policy discourse can affect NATO and how NATO best should address the ongoing debates to remain a vital alliance for the future.
5 Nye, Understanding International Politics, 2-4.
6 Nye, Understanding International Politics, 4-7.
7 Jackson, 84, 120.
8 Jackson, 67-137.
Nye, Understanding International Politics, 2-9.
Chapter Two

Assessing America’s Future Role in NATO and International Politics

2.1 Introduction

The world is changing. The world order set up after the Second World War with its economic and political institutions and security organizations is being challenged by the financial crisis and the decline of the system’s strongest power and protector: The U.S. Within this system NATO has been the core organization ensuring the safety of its members. American economical decline and the political inability to react to this crisis will not only affect the U.S., but the entire western world. American decline will give room for other states to rise to power and increase their influence regionally and thereby shift the priorities of American foreign policy. There is however, no single answer to what the future role of the U.S. in international politics and in NATO should be; the political spectrum in the U.S. holds a variety of approaches and solutions to this issue. Facing decline the U.S. must tackle the challenge of China which is increasing in strength while at the same time reassure its European NATO allies that Article 5 of the of the Atlantic charter still stands firm. While the major future challenges might lie in Asia, Russia is a considerable geopolitical actor acting on the sidelines of the West. NATO is already facing challenges connected to American decline, increasing U.S. focus on Asia and Russian influence in Europe and must solve internal debates in order to remain relevant in the future.

This chapter will give an historical account of the past-World War II system and the roles of the U.S. and NATO in it. Further it will assess the debate on American decline, both economically and politically and analyze how this affects the future role of the U.S. in NATO and international politics.
2.2 The post-World War II System

Out of the Second World War a new superpower rose; a superpower that would build and defend a new political and economical world order for the West. After the Second World War the U.S. was the most powerful state in the world, only challenged by the Soviet Union. The U.S. used its power to build an international order of alliances and multilateral institutions. Woodrow Wilson’s idea of a League of Nations became reality through the United Nations; the Bretton Woods system of economic cooperation was established and the Marshall Plan enacted to secure the rebuilding of Europe. The Marshall Plan alone was worth $100 billion in today’s dollars and provided essential aid to the recipients. It also contributed to establish a permanent separation between eastern and western Europe, between the East dominated by the Soviet Union and the West led by the U.S. The U.S. did not create this system out of fear and vulnerability, but out of strength and confidence in the future of all nations; at the same time there is no doubt that it served American interests. It produced a pro-American world that was rich and secure, where the American economy and American influence could thrive. In this new world order, NATO was established to ensure the safety of the West.¹

The North Atlantic Treaty was signed in Washington D.C. on April 4th, 1949. Twelve nations were included in the original pact: The U.S., Canada, Great Britain, France, Belgium, the Netherlands, Luxembourg, Denmark, Norway, Iceland, Italy and Portugal. The alliance was in many ways historical and was the first peace time military alliance the United States had entered into. Its main intention is described in Article V of the relatively short charter. It states that an armed attack on one member is to be regarded as an attack on all. NATO’s original purpose from a British perspective was famously declared by the first Secretary General Lord Ismay: “to keep the Russians out, the Americans in and the Germans down.”² The idea of a collective defense alliance and NATO is often credited to the U.S., however there were solid initiatives on both sides of the Atlantic working towards the North Atlantic Pact.³

The initiative to form a defense alliance based on Atlantic cooperation was dual. Tension in Europe was increasing and Great Britain in particular was facing problems with the Soviet Union. Already in 1947 France and Britain signed the Dunkirk Treaty followed by the Treaty of Brussels the following year which added Belgium, France, Luxembourg and the Netherlands. These agreements were like the North Atlantic Treaty in their intentions, but Western Europe at this time had everything to gain from involving the U.S. in their effort. As
historian Geir Lundestad at the University of Oslo argues, Britain and the other nations invited the U.S. to enter the European continent. They needed money, goods and military security to rebuild and stabilize after the destructions of the Second World War. In addition American presence was already clear in Western Germany where cooperation seemed good between the former allies. The United States on the other hand changed their approach to world politics. President Harry S. Truman succeeded at forging a bipartisan consensus, were amongst other Senator Arthur H. Vandenberg stood central in shaping the new course of American foreign policy. The Vandenberg Resolution which passed through Congress June 11th 1948 opened for U.S. involvement in a collective defense alliance and with this consensus Truman avoided the mistakes that destroyed President Wilson’s League of Nations. The United States was clearly accepting a new role as the world’s leader.4

2.3 NATO and American Grand Strategy after WW2

NATO was just a part of a larger strategy the United States developed for their foreign policy in the early Cold War years. Their grand strategy, better known as “policy of containment” was the guiding star in their stand-off with communism and Stalin’s Soviet Union. The strategy was based in large part on George F. Kennan’s Long Telegram and later his X-Article published anonymously in Foreign Affairs. Kennan which at the time was stationed at the American Embassy in Moscow described the Soviet Union and its leaders as “impervious to logic of reason”, unstable and Kennan was highly critical of Soviet conduct. Second, he argues that the Soviet Union was weaker if compared to the Western World as a whole and makes the argument that they are “highly sensitive to the logic of force.”5 This was followed up with NSC-68 which in greater detail described U.S. foreign policy strategy where the single most important factor was containing communism. NATO’s role in this grand strategy is very clear. Not only did the U.S. have a formalized alliance based on common ideas and values but it also had an organization that could be used directly for channeling military aid and programs like the Marshall Plan and countries like Norway offered strategically important locations bordering to the Soviet Union. Also as Kennan pointed out, the Soviet Union was weak compared to a united West. Thomas Magstadt argues that this is the only time in the history of U.S. foreign policy that it had a roadmap.6 Despite general agreement in the U.S. on the policy of containment it was not without debate.6

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4 We will return to the debate on American grand strategy in chapter four.

6
Despite consensus and bipartisanship in the American Congress it would be wrong to say that there was no resistance or skepticism towards the grand strategy or NATO. Debates in the Senate Committee on Foreign Relations reveal two very clear concerns. First of all it had to be clear that NATO did not in any way break with or weaken the United Nations. This is very visible in the NATO charter which clearly states that regional defense alliances are permitted under the UN charter. Secondly there were discussions on the content and explicit meaning of Article V in the North Atlantic Treaty. The Americans had no intention of being dragged into local conflicts and foremost feared that the article’s wording meant that war was automatically declared if a NATO member was attacked. The article therefore states that assistance shall be given to the nation(s) in question as is deemed necessary. Other conflicts revolved around economic issues and whether or not the Congress would have control over the size of military aid given. The United States had no intentions of giving up their rights and powers to a multilateral organization.

Despite skepticism towards forming permanent alliances during peacetime the U.S. entered into NATO. Explanations for this can be found in the analysis of alliance theory. Stephen Walt, professor in international relations at the John F. Kennedy School argues in *The Origins of Alliances* that there are six reasons for states to form and enter alliances: balancing, bandwagoning, ideology, foreign aid, penetration and détente. NATO arguably is formed on the basis of at least three of these rationales. First of all balancing which was the core mission of the alliance. Secondly bandwagoning explain why the European members entered into the alliance as they chose to align with the perceived stronger power when facing an external threat. NATO was also founded on a common ideology with the treaty stating that “the Alliance is to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law.” In addition the Marshall Plan invoked the foreign aid rationale and the détente rationale can be found in NATO’s intention of keeping peace between the European members. NATO was founded on the basis of several ideas and the U.S. became the natural leader of the new alliance.

The U.S. clearly had its own agenda in NATO. Alliances are formed to combine the power and resources of its members so that the individual states’ interests are strengthened, especially in security issues. The dominating state usually is the driving force in establishing the alliance and in this case the U.S. will be interested in the alliance as long as it serves the interest of the state. The interests of the dominating state will be the most important in the
alliance and in NATO the interests of the U.S. are clearly dominating. NATO contributed to strengthen the U.S. vis-à-vis the Soviet Union and helped upheld the power balance through the Cold War. The U.S. did not necessarily have only self-interest in mind when NATO was founded as this occurred at a time where the U.S. opened up to multilateral organizations like the UN and a range of economic organizations. It is however important to acknowledge the role of the U.S. in NATO, in the analysis of NATO past Cold War.  

2.4 Debating NATO’s existence

During the Cold War NATO was usually regarded a highly successful alliance, but the debate on NATO’s existence began before the fall of the Soviet Union. The debate is foremost structural and questions the relationship between the allies. In essence it argues that Western Europe and the U.S. do not have as close ties anymore as it did in the immediate years after World War II. In this assessment lies a perception that the allies on each side on the ocean have developed different goals and priorities in their foreign policies. This debate is perhaps one of the most important ones as it touches what might be a fundamental problem for NATO. Already in 1982 Assistant Professor of Government at Harvard, Eliot A. Cohen argued that signs of this were evident. The background for his argument is Europe’s increasing economic prosperity which had become a rival of the American economy and the opposing views on the cost and benefit of détente. Stephen M. Walt argues that the partnership between Europe and America was held together by three unifying forces; the Soviet threat; America’s stake in European economy; and a generation of European and American elite strongly committed to the idea of an Atlantic community. The main point was that these unifying forces was gone or eroding and that despite the fact that Europe and the U.S. still share some common goals they are of different order of urgency and seriousness. With the disappearance of the Soviet Union as a hegemonic threat, Europe has gradually lost its status as the central continent of importance. The debate on NATO’s existence however, is primarily a debate going on outside NATO. There is no evidence among the members that ending NATO is even a possibility and leaders of NATO member countries continue to state support for the alliance. Over twenty years have passed since the fall of the Soviet Union and NATO is still a vital alliance defending the interests of the West.  

Despite arguments of weakening ties between the U.S. and its European allies, the idea of the West and the Western world order continues to connect the transatlantic partners. Belonging to the West is not simply an issue of being a modern nation. Samuel P. Huntington
argues that the West was Western before it was modern. Any country can become a modern society characterized by industrialization, urbanization and rising levels of literacy, education and wealth. The West however, is according to Huntington are characterized by special traits like the legacy of Christianity, the separation of church and state, the rule of law and civil society. This common civilization origin continues to bind the West together and separate the West from the rest. Japan for instance is a highly modernized nation, but it is still not regarded as a part of the West as much as an ally to the West. The Cold War generation is perhaps coming to an end, but their legacy with a Post-World War II system and strong transatlantic ties have continued relevance. What will challenge the transatlantic relationship and the western world order in the future is not a generation less committed to the ideals of the West, but the declining strength of the U.S. and the West. 12

2.5 Paul Kennedy and Great Power Decline
The debate on American decline is not a new one but after the financial crisis in 2008 the debate on American decline has re-emerged with new strength. Declinism is a term describing the theory of a nation or society heading for a state of economical, political or social decline. The British historian Paul Kennedy at Yale University addressed this issue in *The Rise and Fall of Great Powers*. Kennedy examined how states rise to power and become great powers and what caused these powers to decline in strength by studying great powers from the year 1500 and onwards. He closely correlates economic strength with power over time and thereby the loss of economic strength to the loss of power. 13

The central argument of Kennedy is that wealth is the basis for military power. He argues that there is a significant correlation between the ability of a state to generate resources and its military power. In the aftermath of the Second World War when the U.S. rose to superpower status, the American economy was booming. This gave American leaders the opportunity to build a stronger military. As American influence grew and with it American interests all over the world, military power became necessary to protect the wealth. In the long term this could be problematic as ambitions and interests might exceed the resources necessary to protect them. Decline begins when military resources are overstretched Kennedy argues. Although there is a correlation between wealth and power, the do neither rise proportionally nor necessarily at the same time. This correlation is seen in a long term perspective. Military overstretch is the result when a state has larger ambitions and security

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11 Decline can be measured both in absolute terms and in relative terms. Unless otherwise specifically stated decline is measured in relative terms in this thesis, e.g. the relative strength of one country compared to another.
requirements than available resources. Maintaining power, he suggests, requires balancing defense, consumption and investment thereby keeping the nation’s spending within sustainable limits. Channeling too much wealth into military expenditures or a costly war will affect the possibility of spending in other areas and might lead to overstretch. Kennedy here touches upon two important points. He stresses the importance not only with limiting military operations and foreign policy within the boundaries of available resources, but also balancing between foreign and domestic spending. Kennedy’s findings and arguments show an important correlation between economic strength and hard power which is an important aspect in an analysis of America’s future role in international politics.¹⁴

2.6 The Economic Situation of the U.S.

Based on Kennedy’s thesis American decline can be predicted by examining available resources and relative economic durability against the possibility of military overstretch. The U.S. is by far the largest economy in the world with a GDP of roughly $14.5 trillion. The only competing economy today is the entire European Union, which is difficult to compare as it is the sum of many different economies. The next single economy on the list is China with an estimated GDP of roughly $5800 billion. This is by measurement of GDP only, which arguably is of no other relevance than to show the relative size of the world’s economies. It is however become standard, when comparing economies to adjust GDP with Purchase Power Parity (PPP) which is designed to adjust the GDP for nominal trends in the different countries by using the U.S. as a standard country and correcting for the real value. When doing this, China is much closer to the U.S. with a GDP PPP of $10.090 billion. Another commonly used way to measure a nation’s wealth is by GDP per capita, which in this case is much higher for the U.S. as China has a much larger population. Based on these numbers there is perhaps no reason to argue that the U.S. is in decline or that there is any reason to fear China, but there is one last factor that needs to be calculated in: the growth rate. The growth rate is a measurement of how fast economies grow and China’s GDP has for the last decades grown steadily and at a much higher rate than the U.S. with approximately 9 percent versus America’s growth rate which is now down to 1.5 percent. India, another of the so-called BRIC countries, has a growth rate of almost eight percent. The last of the emerging powers coined as the BRIC countries, Russia and Brazil has growth rates of roughly five and three percent accordingly. Estimates of when China will pass the U.S. in total GDP vary with which statistics are used, everything from ten to forty years. These numbers are the background for most of the debate surrounding the economic side of declinism and from these numbers it is

¹⁴
fairly safe to conclude that America is in relative decline compared to China, and has been for some time. However, it is not this alone that cause problems for the U.S.; it is only a part of the picture. Increasing debt levels and instability in the financial sector, accompanies low growth rates and high rates of unemployment.\footnote{15}

Before President George W. Bush Jr. entered the Oval Office in 2000 the debt level was approximately 35 percent of the GDP. Since then America has financed two wars while simultaneously giving tax cuts as well as increased spending on entitlements. In addition the financial crisis led to a large stimulus package in 2008. Combining this with increasing interest rates, trade deficits and a continued gap between spending and revenues has taken its toll on the American debt level. It is generally considered that a nation is in severe trouble when the debt level moves beyond ninety percent of GDP and estimates made by IMF suggest that federal debt in the U.S. could equal GDP by 2015. Not included in these numbers is debt with federal guarantees, like the debt of state and local governments and government sponsored enterprises, which at the end of the day is federal debt. Other nations with similar debt problems such as Greece and Italy should act as a strong warning to the Americans. The current economic situation where especially the increasing level of federal debt is very serious is caused by a series of problems and events. Increased spending, like two wars and decreased revenues, exemplified by tax cuts are a matter of political priorities. The financial crisis of 2008 enhanced the problems further and could create a long term bad cycle where increased unemployment leads to decreased revenues and higher demands for entitlements which would further increase the debt. The 2008 financial crisis also revealed that the financial system did not function as intended. Large financial institutions fell apart both in the U.S. and Europe depended on government bailout to stay above water. They were rescued at the cost of “normal” people who could not count on government bailout when their houses where foreclosed and they stood without a job and medical insurance. In addition, these large stimulus packages added grossly to the federal debt. The current economic situation is pressing and unresolved. Paul Kennedy argued that great powers often faced decline when the economic situation was dire and the state suffered from overstretch. To answer this question it is necessary to look more closely on U.S. federal spending.\footnote{16}

2.6.1 Overstretch

If one breaks down a state’s economy to simple pieces the math is fairly simple. Income has to match spending to have a balanced budget. In any other case there will be a surplus or a
deficit. Many states, included the U.S. have financed deficits by taking up loans or by other means of raising temporary capital. At some point this is not an option anymore; nations can suffer the fate of Greece: the interest rates become so high that it can no longer service its existing debt. According to Kennedy, overstretch does not occur only because military expenditures are too high, but also as a consequence of poor balance between domestic and foreign spending.

The U.S. federal budget can roughly be divided into two main categories: mandatory and discretionary spending. Most entitlement programs like Medicare and Medicaid belong in the first category, while education and defense belong in the second. Nearly two-thirds of the budget goes towards mandatory programs and these expenditures are mandated by law. To balance the federal budget the U.S. will likely have to make cuts in several areas but cutting in mandatory spending is far more difficult than cutting in discretionary spending because Congress cannot change mandatory spending in the annual budget process. Some areas of the budget, like paying interest on loans are not possible to change. Within the mandatory share of the budget lie programs like Social Security, Medicare, Retirement and Disability Programs. The percentage spent on health care in the U.S. is high compared to other highly industrialized nation and has been stable over a longer period. Together with pensions and welfare these three areas are difficult to make cuts in without reforming the entire system as the expenditure varies with the number of people at any time entitled to them. The amount spent on mandatory programs will also increase in the future much because the “baby boomers” are reaching retirement. The two major senior programs, Social Security and Medicare are taking up a rising share of the mandatory budget and the share is expected to rise further. Discretionary spending is only approximately thirty percent of the budget and includes military spending, Health and Human Services, the Department of Education and Housing and Urban Development. Defense spending alone has a share of about two-thirds of all discretionary spending. It is not impossible to cut mandatory spending, but this is a process which is much more difficult. American politicians must then make a choice to change the rules of the game so that less people meet the requirements for receiving benefits or so that each person receives less. Cutting in these areas would likely create larger inequality, balancing the budget at the cost of those who have the least, which is a very tough political choice. Arguing, like Kagan and others do that making cuts in entitlement spending is the solution to America’s economic problems has more to do with political rhetoric than the reality of the situation.\textsuperscript{17}
The U.S. is suffering from overstretch. Defense expenditures are claiming one fifth of the federal budget and two expensive wars are only adding to the budget deficit. Kennedy argues that relative economic and military power may not rise and fall in parallel; the wars in Iraq and Afghanistan have continued despite the strain they have caused the economy. Great powers in relative decline instinctively respond by spending more on security and thereby divert potential resources from investment and compound their long-term dilemma, which is likely the situation the U.S. has been in for some time. Although President Obama does not admit the U.S. is in decline as a result of military overstretch he, together with Secretary of Defense Leon Panetta announced a new strategy for the U.S. defense which included a plan to cut between $500 billion and $900 billion over a ten year period. The American defense is not only undergoing cuts but also a reform. In the future, it will no longer have the capacity to carry out two sustained ground wars at one time, which has been a requirement in previous strategies. It is clear that the current administration sees the need to reduce military costs and Obama stated in his State of the Union address in January 2012 that the savings from ending the wars in Iraq and Afghanistan should be used partly to pay off debt and partly to increase employment through building infrastructure. Obama is trying to restore the balance between foreign and domestic spending, something that according to Kennedy is vital in avoiding overstretch. President Obama’s actions seem to a clear admittance that the U.S. is suffering from overstretch; he does not however, admit that the U.S. is suffering from decline.¹⁸

In his State of the Union address to the American people in January 2012, President Obama addressed the issue of American decline saying: “anyone who tells you that America is in decline or that our influence has waned, doesn't know what they're talking about.”¹⁹ Obama’s approach to this debate is heavily influenced by foreign policy commentator at the Brookings Institution, Robert Kagan. Kagan is one of the strongest voices arguing the decline of America is largely a myth and is also an advisor of Obama’s most likely opposing candidate in the 2012 presidential election, Mitt Romney. Kagan, like many others in this debate do not so much offer counterarguments as they spend time on shedding doubt on the arguments of the other side. Three specific arguments are central: decline has come and gone in cycles in the U.S., defense expenditures are relatively lower now than earlier and entitlements are the real problem. In addition they cast doubts on the rise of the rest, and especially China.iii

iii The arguments regarding China will be thoroughly dealt with in chapter four.
The debate on American decline has come and gone in cycles, is an argument from amongst other Kim Holmes of the Heritage Foundation. Kagan argues that the U.S. has experienced many setbacks since World War II and never been fully able to control the world. It takes little knowledge to acknowledge that both are true. Kagan argues that the U.S. faces similar crisis in the 1890s, 1930s and 1970s and that the 1910s, 1940s and 1980s all were highpoints of the American economy. His message is loud and clear: the U.S. can recover from this financial crisis as well and it does not need to lead to decline. The factor he does not calculate in this argument however, is the debt level. The federal debt level is estimated to reach ninety percent of GDP by 2020. It is already very high in historical terms; only at the end of the Second World War has it been higher. The 2008 financial crisis is the worst since the Depression of the 1930s and is thereby also the best comparison. There is no doubt that the U.S. survived the 1930s and even thrived economically in the 1940s. But the Second World War had a tremendous positive effect on the American economy and it the aftermath of the war other economies were severely hurt. This allowed the U.S. to vastly grow and thereby also correcting the debt level. This is a very unlikely savior of today’s financial crisis. There is a difference and a very good reason to address the question of American decline with seriousness.20

Kagan, Holmes and others use the argument that defense expenditures today as historically relative low as a ratio of GDP. This is a perfectly good example of how statistics can be used to support any argument. The size of the federal U.S. budget is approximately twenty percent of total GDP, normally only adjusted for inflation every year. This is the money that Congress can use, and of the total budget defense expenditures claim twenty to twenty-five percent, being the single largest item in the budget. Going back to the discussion of mandatory and discretionary spending, defense expenditures amount to two-thirds of discretionary spending which is the money actually available to the members of Congress in their work on the budget. This is the ratio that is important and it seems fairly clear that defense expenditures are claiming a large proportion of the U.S. budget. In the current situation, the U.S. cannot afford this. Obama spoke in his State of the Union address of the importance of education, federal funding for clean energy and technology research, federal funding for development of infrastructure to create jobs and many other important issues. There is not room to do everything at a time where increasing debt is not a viable alternative. Obama launched tax reforms as the solution to America’s economic problems, but by
initiating a cut in defense expenditures he is sending a signal that he understands the effects of overstretch even though he does not want to admit it.\textsuperscript{21}

The final argument from “anti-declinists” is that decline is not inevitable and that there is no “ironclad law of historical determinism.”\textsuperscript{22} First of all, statements like these support the argument of decline because they imply that America is in fact in decline but that it is possible to solve the problem. Secondly, Paul Kennedy was not a determinist himself and whether or not the Americans have a way out of the situation does not change the situation itself. It is perhaps true that decline is not inevitable and that the U.S. has every means of turning the ship around. But to do this, there has to be an efficient political system which can face this challenge. The tools to fight decline lie on Capitol Hill but is facing every bit as much problem as the nation’s economy. As argued above, decline is not only an economical matter it is also a political one. And as President Obama said in his State of the Union: “Washington is broken.”\textsuperscript{23}

\textbf{2.7 Political Decline}

While the main focus on the decline debate perhaps lies in the economic part of the discussion, this does not give a complete picture. There is a political side to the debate. When a state faces economic troubles people generally rely on politicians, the economic system or previously used mechanisms to take control of the situation. The problem occurs when typically used counter mechanisms like Keynesian stimulus packages are not sufficient and there does not seem to be any good solutions within the economic system. The question is then whether or not politicians have the tools to find other solutions and if the political system will allow them to use these tools. One cannot define political decline in the same way as economic decline, because relative economic decline compares the U.S. to other countries. In some ways it is perhaps possible to compare the strength of political power between states but for this discussion it will be most useful to look only at the U.S. and how the political system is equipped for dealing with an economic crisis. Fareed Zakaria argues in \textit{From Wealth to Power} that a streamlined government is necessary to convert resources into power. He calls his theory “state centered realism” and argues that America has been able to project most power and influence at times when the state and its bureaucracy was working efficiently. If the American political system is not working, this constraints the possibility of the U.S. to resolve the economic decline which will further affect the role of the U.S. in the world.\textsuperscript{24}
2011 has not been a good year for the American Congress. It is the least popular Congress in history, or more correctly the least popular Congress the last thirty years which is the time period Gallup has conducted this poll. Congress ended 2011 with an approval rating of 11 percent with an average approval rating of 17 percent for the year as a whole. This could have been evidence of unpopular choices being made but for the most it is dissatisfaction with the choices that were not made at all. It has been a troublesome year for Congress almost resulting in government shut-down in March and the debt-ceiling debacle in August. When House Republicans are intent on killing a tax cut deal, it is obvious that bipartisanship, often a necessary condition of effective governance in Washington, has completely broken down.

Now Speaker of the House John Boehner said before the 2010 mid-term election that he would not compromise with Obama and stated that “we're going to do everything — and I mean everything we can do — to kill it [Obama’s agenda], stop it, slow it down, whatever we can.” He has to a large degree succeeded and he might achieve his most important goal making Obama a one-term president. But he is also achieving something else; by failing to compromise and by that passing important legislation and budget proposals Congress is not doing all it can to counter America’s decline and by that destroying the argument that decline is not inevitable. Lack of bipartisanship is hindering efficient mechanisms on a day to day basis like passing increased taxes on oil companies but also long term planning to adjust and define the primary interests of the U.S. and restoring solvency. It is not the only time in U.S. history that there is lack of bipartisanship and it is perhaps not any worse now than during the Clinton-Gringrich debacle of the 1990s, but it is occurring at a time when it is pressing to meet the challenges of the economic situation.25

The lack of bipartisanship in American politics results in the lack of “solvency.” Charles Kupchan and Thomas Magstadt both argue the need for solvency in American foreign policy. “Solvency exists when a nation’s commitments accurately reflects its vital interests and do not exceed its capabilities.”26 Inability to reach some kind of consensus on what should be regarded as vital interests for the U.S. and thereby disagreement over political choices in foreign policy can easily lead to a situation where America’s interest are not adjusted accordingly to its resources. Political stalemate is an important factor to the equation when discussing decline, because inability to reach bipartisan to adjust ambitions will strengthen America’s decline. This lack of bipartisanship is however, only part of the problem; the underlying issue is structural. The American political system, and perhaps especially the election system has several challenges that contributes to the lack of bipartisanship and
thereby solvency. In *American Democracy in Peril, Eight Challenges to America’s Future*, William Hudson argues there are three criteria that have to be met in order for elections to be truly democratic. First the opportunity for equal representation of all citizens, secondly there has to be mechanisms for deliberation about public policy issues and thirdly elections must control what government does. The influence of big money and the media in addition to a person centered political system is a challenge regarding these three criteria.  

2.7.1 The Influence of Big Money and Special Interests

Money has a central role in the American political system. A record-high $5.3 billion was spent in the 2008 presidential and congressional race. $2.4 billion was spent in the presidential race alone. There have been numerous attempts to regulate campaign finances over the years. In the aftermath of the Watergate scandal, Congress passed the Federal Election Campaign Act (FECA) in 1974 which aimed at reducing the influence of big money contributions in presidential elections. The act included a system of public funding, limits on how much individuals could contribute to any one candidate and an imposed ceiling on the amounts that candidates could spend in national election campaigns. However well intended the Supreme Court declared merely two years later in *Buckley v. Valeo* that it was unconstitutional to limit campaign expenditures. The court however upheld the contribution limits as reasonable efforts to prevent corruption of candidates for office which meant that a candidate could receive no more than 2,000 dollars from each individual and a maximum of $5000 from Political Action Committees (PACs). The in 2010 the Supreme Court decision in *Citizens United v. Federal Election Commission* barred the government from capping limits on independent spending for political purposes. This led to the creation of the so-called super PACs which cannot be run by the candidates themselves, but are run by interests which advocate one of the running candidates. In reality this ensures no limitations on how much money corporations can spend in a campaign. Furthermore, there is a close correlation between the money spent and the outcome of an election. A successful campaign depends on how much money a candidate can raise. In the 2004 election, the candidate who spent the most won 96 percent of the races. Candidates also have an increased tendency to spend of their personal fortunes. The role of money in campaigns does not only make politics an elite business but it also gives enormous influence to special interests in Washington.

Special interests are invested in campaigns before the rest of the public knows the campaign has started. Hudson coins the term “hidden election” in which he describes how
wealthy individuals, interest groups, corporations and PACs select, by means of their contributions, who the credible candidates for office will be. In this process only one percent of voters are included. Barack Obama and Hilary Clinton emerged early out of a pool of nine contenders in 2008 mainly because of their fundraising machines. Contributions are the essential driving force behind the candidate and there is no such thing as a free lunch. Corporations, interest groups and PACs all have their own agendas, and policies that they wish to advocate. There is no doubt that the American political system is under the influence of special interests which can limit a candidates possibilities once in office. People expect results. “Pork Barreling” is a well known term in American politics and refers to appropriation of government spending for localized projects secured solely or primarily to bring money to a representative's district. But the representative also has to remember where the major campaign donations came from. This does not only apply to corporations but also to special interest groups. The degree of success in which a representative manages to yield federal spending back to his or her own constituency or special interests will often determine the donations for the next election and thereby the election result. As long as there is no efficient regulation on campaign finances it is not possible to argue that the U.S. has equal representation and further more the influence of big money increases the likelihood of corruption.29

Money controls another aspect of campaigning that is vital, media coverage. With the introduction of super PACs advertisement through the media and especially television has soared. If one does not have the resources to participate in this arena, chances of winning are greatly diminished. In addition, much of media from television through radio to newspapers are not excluded from the special interest category. News corporations and newspaper corporations are often owned by a series of other corporations which is highly likely to influence them. Then set aside those who openly embrace one candidate or those who are obviously biased (which might not be so obvious to every man on the street) the media still has a huge influence on the people and the politicians. Foremost the media should work as an agenda setter and a watch dog. But seem to worry more about the number of viewers, readers and listeners. It is no secret that a scandal sells better than anything and where the media has their focus, most of the population does to. And it is not only the issues they choose to address that are important, but how the media present them. The common voter does not sit down to read through policy statements, previous achievements and conduct thorough research on every candidate. And people rely on the media for information. The media thereby has a huge
responsibility and opportunity to present the important issues to the public, but it often chooses to focus on personal scandals or embarrassing episodes, often taken out of context. A politician is therefore judged just as much on his or her ability to handle the media as the actual issues.  

In addition the American election system is centered on individuals to a much greater degree than around parties. This might have several advantages for example that it is easier to hold a representative accountable for his or her promises but it also makes it difficult to make unpopular choices like increasing taxes. At the same time it is difficult to take credit for decisions made by a majority in the Senate or the House. These issues are not a new problem occurring because of the economic crisis, but more a structural problem with the political system as a whole. When combining this person focused election system with big money and an enormous media focus is when it gets tough. The consequences of political decline are many. First of all the lack of bipartisanship and political stalemate is making it difficult for the U.S. to react to economic decline. Second of all the influence of big money and the media combined with the structure of the political system limits the possibilities of developing new ideas.  

2.8 Consequences of Political Decline
Lack of solvency is a clear consequence of political decline especially caused by eroding or close to non-existing bipartisanship. Solvency is especially important when it comes to foreign policy and will continue to increase in importance when the U.S.’ role in the world is changing. Walter Lippmann warned in 1943 that foreign policies must be in balance and that when people were divided about the conduct of foreign policy they were unable to agree on the determination of its true interest. Following the Second World War however, was a five decade long period with broad consensus and bipartisanship on foreign policy. Since the end of the Cold War this consensus and bipartisanship has gradually eroded to a point where Congress now at times cannot agree on anything. Restoring solvency in foreign affairs is necessary for the U.S. in a time where economic decline at some point or another will force cuts also in the defense sector. By narrowing down the nation’s primary interests and closing the gap between these and the available resources the U.S. can better control its future power. The alternative is not doing anything with the likely result that necessary cuts will hit harder and simultaneously in the near future.
To restore solvency to American foreign policy Kupchan and Trubowitz argue in their article in *Foreign Affairs* that there are two essential features: a grand strategy and bipartisanship. A grand strategy\textsuperscript{iv} could address the issue of overstretch, help narrow the foci of American primary interests and thereby help reduce the budget deficit and help the economy. This is dependent however, on some degree of bipartisanship in Congress where it is possible to agree on some guidelines and priorities for American foreign policy. Kupchan argues further that Democratic and Republican lawmakers now hold very different views on foreign policy when it comes to basic questions like the source and purposes of U.S. power, the use of force and the role of international institutions. To add even more trouble to the equation, there are variations within the two parties as well and there seems to be no desire to agree on anything. It is however necessary that they do so, and develop a grand strategy which is solvent and in tune with the public. Only 22 percent believe that the government spends too little on defense, 43 percent believe a smaller military will be just as efficient while 56 percent believe U.S. forces are spread too thin to be able to respond to a new military threat efficiently. Nearly half of Americans say that the U.S. can significantly reduce military spending without sacrificing security. A solvent foreign policy for the U.S. would be more in tune with the view of the people, a long term strategy meeting the challenges the U.S. will face in the years to come and have strong bipartisan support. This is necessary for the U.S. to meet the challenges of decline. Lack of solvency is not the only problem of political decline; especially the influence of big money and the media is limiting the possibility of developing new ideas in the political milieu.\textsuperscript{33}

The influence of big money and the media in American politics are reasons to raise questions for many reasons. However, in the aspect of political decline it is a concern that these influences affect the ability to develop new ideas. William E. Hudson also argued that the voters needed to be able to make a clear choice between alternative candidates, but most candidates operate within the same framework and with the same tool-box. All of the contestants in the Republican race for the presidential nomination have in some form released a plan to recover the economy. Although varying in size and reach there is one thing they have in common: tax cuts. Corporate tax cuts, capital gains tax cuts, simplifying the tax codes and so one. There are however, few ideas on how to balance the budget with these tax cuts which will cause decreased revenue. The general idea is that these tax cuts will encourage

\textsuperscript{iv} The debate on a grand strategy in the U.S. is an extensive one and for the most it revolves around questions of geo-politics and strategy. We will return to that debate in the next chapter.
investments and savings and in turn make American corporations more competitive on the global market which will then create new jobs. Expanding U.S. energy production, reducing spending on entitlements and downsizing the federal government are other common points to these plans. Ron Paul, the self-declared libertarian seems to be quite alone in advocating reduced spending on defense in the Republican field. The economy is only one example but is representative. Another interesting point is that Obama largely based his State of the Union address in 2012 on the views of Robert Kagan; the same man is also a foreign policy advisor for the frontrunner in the Republican primaries Robert Kagan. Obama also appointed Robert Gates as his first Secretary of Defense; the same man who held this position under President George W. Bush. This raises questions of whether there is too little circulation within the elite political environment and understates the argument that there is too little diversity which limits the possibility of developing new ideas. Politicians might disagree on the solution but they all apply these solutions within the same framework because there is no room for a wider and more ideological and structural debate. This will only strengthen and enhance American decline and weaken the role of the U.S. in the world. The world is changing and with it the post-World War II system and the role of the U.S. in it. And so the role of NATO and the role of the U.S. in NATO might change.34

2.9 American Decline and the post-World War II System

The financial crisis of 2008 has its origin in the U.S. but has affected the whole world and especially Europe. Countries like Greece and Italy are experiencing severe financial crises and have instituted technocratic governments to lead them through high degrees of debt, high interest rates, high unemployment rates and poor taxation systems. As a consequence of the severe economic problems in Italy and Greece as well as Spain, Portugal and Ireland the entire euro-zone is struggling. And difficult measures have been taken from the other EU countries to save the Euro. The crisis has also fuelled a debate on the Euro and the future of both the currency union and the entire union. Professor in European history at Oxford University Timothy Garton Ash argues that neither the European Union nor the Euro can be saved in its present condition. According to him the union will face many challenges in the years to come and the Euro might stop the entire project. He further claims that the Euro can threaten the entire union both if it collapses and if it is saved arguing that a collapse would lead to stronger state control over capital and end one of the four basic freedoms in the EU. These ramifications on Europe and especially the EU are important because the post-World War II system with its financial institutions and economic systems are an essential part of the
entire euro-zone and most parts of the European continent. Together with the U.S., Europeans have continued to develop and defend this system and the system is now showing severe strains. Not only is it leading up to a debate on more control over financial institutions and a more regulated capitalism, it is also forcing European countries to cut in their defense budgets. The U.S. is not declining alone; it is doing so with the rest of the West and so weakening the post-World War II system. This is a major threat to NATO, the core security alliance of the post-World War II system, foremost because it is heavily dependent on the U.S. for financing but also because the European NATO members are now following along the lines of the U.S. in reducing their defense budgets.35

This is an important development because it reflects a debate already causing tension in NATO, namely burden-sharing. It has been a concern, especially from an American point of view how the burden should be placed among the members. This does not only include the financial burden but also human and material resources. In his last speech as Secretary of Defense Robert Gates expressed discontent towards his allies for not contributing with their share of military or financial effort. The newly appointed Minister of Defense in Norway, Espen Barth Eide, also made this a topic in one of his first public appearances. The U.S. share of NATO defense spending have now raised to more than 75 percent and Europeans continue to steadily reduce their defense budgets. It has to be taken into account that many NATO members have very small budgets compared to the U.S., however very few spend the agreed upon 2 percent on defense. Following the financial crisis this has become an even more important debate. The U.S. is signaling that they will reduce their presence in Europe as a consequence of cuts in the defense budget. Simultaneously European members are reducing their share of spending of defense to balance their budgets. Gates argues that NATO has become a two-tiered alliance where some members bear the burden and others reap the benefits. And he is not alone. NATO’s Secretary General Anders Fogh Rasmussen also voices concern over declining defense budgets in Europe. This is serious because the U.S. cannot in the future continue to bear the cost of European security while at the same time it is important for the U.S. to have a strong ally in Europe. The European NATO members on the other side is still heavily dependent on the U.S. to guarantee for its security but can no longer solely rely on the U.S. to bear the cost.36

NATO has already launched a reform to meet the challenges of reduced defense spending in Europe and the need for Europe to take greater responsibility for its own security.
Fogh Rasmussen argues that Europe should pursue a “smart defense” approach, building more security for less money. A smart defense approach would mean that the countries pool their resources and to a greater extent coordinate their defense spending. In that way it is possible to cut in the individual nation’s defense spending without reducing the overall military capacity of NATO. The idea is that not every country needs to have complete military capabilities on its own but two or more countries can cooperate on for instance air power or naval power. An example is the Nordic countries which are initiating greater cooperating on their air power. Rasmussen’s vision is that this would “ensure greater security, for less money” which would be ideal. The most recent NATO operation in Libya showed some positive signs with regards to burden-sharing as countries such as Norway and Denmark contributed proportionally higher than would be expected. Norway is not a good example, however as it is one of the few countries that is not reducing in their defense budget. It is nevertheless important that countries like Norway contribute to NATO and to create a smarter defense for Europe. Not simply because it has the money to do so, but also because small nations are even more dependent on NATO than larger countries.38

Countries such as Norway, Denmark and the Baltic countries have centered their military capacities on NATO and without a strong NATO they have in all reality no sufficient defense. This is a reality the Norwegian Minister of Defense is highly aware of and he is also a solid proponent of the smart defense initiative. It is not easy however, as there are many larger nations in NATO more reluctant to build specialized military capabilities, leaving other capabilities to other nations. Nevertheless the financial crisis has made it perfectly clear that measures have to be taken to secure the continued capacity and the relevance of NATO as a security guarantor in Europe. The ideas behind building a smart defense would not only strengthen NATO despite reduced spending on defense but also ensure that European NATO members to a larger degree can ensure the security of the continent. Furthermore it would free up resources for the U.S. and solve the debate of burden-sharing within the alliance. The operation in Libya might have given a glance into the future. As Obama characterized it, the U.S. was leading from behind demanding greater responsibility from the other members of NATO. The U.S. will be dependent on other members of NATO taking greater responsibility, not only in the alliance but also within the entire post-World War II system. America’s decline will lead to changes not only for the role of the U.S. in international politics but also for international relations. The world is moving towards multipolarity and this will have implications for the U.S., NATO and the post-World War II system.39
2.10 Conclusion

After the Second World War the U.S. built a world system centered on the U.S. and Western Europe. The system is based on capitalism and financial institutions were built, developed and protected by the West. NATO was an essential part of this system as the first peacetime alliance the U.S. had ever entered into designed to ensure the security in and stability between European nations. Both the post-World War II system and NATO have been and still is dependent on the U.S. as the primary guarantor. The U.S. has since 1941 had extensive commitments all over the world and the 2008 financial crisis revealed and further contributed to a strained economic situation. The economic troubles of the U.S. have led to a situation where the debt level is rising to historical heights and is forcing the U.S. to make cuts to further worsen the crisis. While many argue that American decline is not inevitable, the political elite of the U.S. does not seem to have the ability to do something about it. Washington is broken. The lack of bipartisanship in Congress as well as the influence of the media and big money in politics is hindering the development of new political ideas and solvency in foreign policy which are necessary to turn the trend of decline around. President Obama has however taken some measures to meet the challenge by introducing large cuts in defense spending over the next ten years. This will have implications for the post-World War II system as well as for NATO. The European NATO members will to a larger degree take responsibility for their own security which is challenging in a time where the financial situation in large parts of Europe is just as serious as and perhaps worse than in the U.S. The answer will be restructuring NATO’s military capabilities following a so-called “smart defense” approach. The idea is that pooling and sharing individual member countries’ capabilities will strengthen NATO while at the same time freeing up resources for the U.S. The role of the U.S. in the world will change as a consequence of decline and so will its role in NATO. American decline gives room for other powers and the world will move towards multipolarity. How this affects international relations and the transatlantic relationship and how the U.S. will respond to these challenges will be taken up in the next chapter.


4 Geir Lundestad, *The United States and Western Europe*, 40-43.


9 Warren, “Alliance Behavior.”


37 NATO, “NATO Secretary General Calls for ‘Smart Defense’.”

38 Rasmussen, 2-7.


NATO, “NATO Secretary Calls for Smart Defense.”

Chapter Three

A Multipolar World and the Transatlantic Relationship

3.1 Introduction
The post-World War II system is entering into a third phase. During the Cold War the world was bipolar with the U.S. on one side and the Soviet Union on the other side. After the fall of Soviet Union in 1991 the world became unipolar with one predominant superpower which has remained unchallenged for two decades. Although the U.S. today still is the only superpower, or only pole in the world its strength is declining while the power of other states is increasing leading towards a more multipolar world. Regional powers like China and Russia will seek to increase their influence on a global scale and other potential powers will seek to increase their influence regionally. International relations will become more unstable and there will be increased focus on security politics and thereby security alliances. How the U.S. will respond to both decline and the changing situation in international relations is interesting for two reasons. First, because how the U.S. reacts does not only depend on changing structures in international relations but also its culture and identity. Second, how the U.S. reacts has great implications for the development of international relations and for the future of the transatlantic relationship. NATO has been the core security alliance providing security for the West during the Cold War and survived despite many predictions after the fall of the Soviet Union that it would not. NATO will have to adapt as it did after the Cold War to meet the challenges of multipolarity and to strengthen the transatlantic ties. Stronger transatlantic ties are essential for the survival of NATO in a time where the U.S. is shifting its foreign policy focus away from Europe to the Pacific theater.

This chapter argues that the world is becoming multipolar as a consequence of American decline and the increasing power of other countries. Further it will argue that a
multipolar world is more unstable than both bipolar and unipolar systems and that this will lead to increasing focus on security politics and a strengthening of the transatlantic relationship and NATO. Then it will assess the historical rooting of American foreign policy and argue that idea of American exceptionalism is shaping President Obama’s approach to the rising powers. Finally it will argue that Obama’s strategy towards these emerging powers will be more challenging than the Obama administration seems to think.

3.2 Preparing for a Multipolar World

The terms uni-, bi- and multi-polar are used to describe the power structures of international relations. In a unipolar system one pole or superpower has the power to dominate the other states. In a bipolar international system there are two such powers and other states often align themselves with either of the two poles. In a multipolar system there are three or more powers, which have the ability to dominate other states. Since the Second World War the world has lived under both bipolarity and unipolarity. First under the Cold War with the U.S. and the Soviet Union as the dominating powers, and then after the Cold War the U.S. led world has been unipolar often referred to as Pax Americana. Fareed Zakaria argues that we are now living through the third great power shift of the modern era entering into a multipolar world.¹

Zakaria argues that this third great power shift is driven by “the rise of the rest.”² The rise of the rest is a phrase used about growing nations or emerging markets outside the West in which the core is the so-called BRIC countries. BRIC which is an acronym for the four countries Brazil, Russia, India and China, are the strongest contenders as future poles in a multipolar system. Other potential poles include Indonesia, Japan, South Africa and the EU.³ This great power shift or “rise of the rest” is fuelled in large by economic factors. Predictions of the end of unipolarity or Pax Americana began long before the financial crisis of 2008. Charles Krauthammer predicted already in the early 1990s that unipolarity would only last a moment. Zakaria argues that the financial crisis accelerated an already occurring trend. While the West suffering from slow growth, high unemployment and overwhelming indebtedness, the non-Western world rebounded quickly. He further argues that the economic success which once was most clear in Asia is no longer confined to Asian countries. Between 1990 and 2010 the global economy grew from $22.1 trillion to $62 trillion and global trade increased by 267 percent. Emerging markets have accounted for over half of this growth and now account for

¹ The EU is referred to as a potential pole, but will not be treated as one in this thesis as the EU is not a state but a collection of many without a clear common foreign policy and is therefore difficult to compare to other states.
over 47 percent of the world economy measured at PPP. This growth was initially spurred by the movement of Western capital to Asia and other parts of the world. This growth is now being powered by own markets and not simply by exports to the West and it is therefore not likely that this is an ephemeral phenomenon easily derailed. Development of technological milestones that were once seen as typical American is now occurring all over the world and the U.S. is no longer the leading contributor. If one looks at everything from the tallest building, to the largest airplane to the largest shopping malls or casino venues they are not located in the U.S. but in other parts of the world.\(^3\)

The debate on the emergence of a multipolar world is foremost fuelled by economic arguments, but there is also a political and military dimension to the debate. Fareed Zakaria argues that at the politico-military level the U.S. will continue to dominate for a long time. The U.S. will remain as the strongest power and continue its great power or perhaps even superpower status for yet some time but will no longer be a hyperpower with the ability to dominate in all regions of the world. While facing decline the U.S. still outspends the world drastically on defense with a defense budget of approximately $700 billion which is close to sixty percent of total defense expenditures in the world, but while the U.S. is forced to cut defense spending the rising powers are in position to increase theirs. While it will still be a gap in defense spending between the U.S. and the next on the list which is China, this gap will continue to narrow. While the U.S. is likely to continue to dominate at the politico-military level, power distribution is changing in all other dimensions however from industrial to financial. And as Paul Kennedy argued economic power lay the premises for military power and the new rising powers are will in the future have much larger possibilities of building military capabilities as well. However, the fact that the U.S. will continue to remain strong in several aspects of international relations is not an argument against the emergence of a multipolar world.\(^4\)

John J. Mearsheimer claims that the world is in fact multipolar today arguing that in a multipolar order power does not need to be symmetrical. He argues that the U.S. is far stronger and the only power that has the ability to project its power on a global scale but the new potential poles China and Russia have showed an increasing ability to project power in their regions. Samuel Huntington coined the term “uni-multipolarity” which reflects this asymmetry in international relations. Signs of rising powers and their new assertiveness in international relations are already apparent. China and Russia continue to voice their
opposition in the UN Security Council with the most recent example being their opposition to intervention in Syria. India and Brazil defied the U.S. and the Doha trade talks in 2008 and Russia certainly showed muscles in dealing with Georgia. G-20 is becoming an increasingly important organization to a large degree replacing G-8 as the most important economic forum in international relations. It was G-20 and not G-8 who gathered to deal with the financial crisis in 2008 which shows that countries like India which is not a part of G-8 are gaining influence.\(^5\)

The National Intelligence Council has predicted the rise of new global powers like India and the reemergence of old ones like Russia in their predictions for the world in 2020 and 2025. The report *Global Trends 2025: A Transformed World* states that “the international system – as constructed following the Second World War – will almost be unrecognizable by 2025 owing to the rise of emerging powers, a globalizing economy [and] an historic transfer of relative wealth and economic power from West to East…” The report further predicts that the world will be multipolar and that the gap between developed and developing countries will continue to narrow. The report prepared by the office of the Director of National Intelligence in the U.S. not only predicts that the world will become multipolar but also acknowledge that a multipolar world is likely to be more unstable and that the financial crisis is likely to accelerate this process. This does not mean that the world is facing a complete breakdown of the international system but that there are considerable risks liked to this development and that the world in the future is likely to see rivalry around such issues as trade and acquisition. Further, the report concludes that 19\(^{th}\) century-like scenarios of arms races, territorial expansion and military rivalries cannot be ruled out. While taking into consideration the rise of regional powers all over the world, the report singles out China, India and Russia as the strongest future contenders of world power correlating with the predictions of both Mearsheimer and Zakaria. Although no one can predict the future these new rising powers are unlikely to quietly relinquish their new roles in world affairs. The emergence of a multipolar order will have consequences to the future of international relations and with all likelihood the world will become more unstable.\(^6\)

3.3 Power Structures and Stability

There has been continuous debate in the U.S. on stability of uni-, bi- and multipolar world systems since the end of the Cold War. With the disappearance of the Soviet Union as a superpower the world shifted from a bipolar to a unipolar world. Charles Krauthammer
argued in the early 1990s however, that this was nothing but a unipolar moment predicting that the U.S. would not be able to uphold Pax Americana for long. This reflects a typical realist approach to international relations building on the theory of power-balancing. Arguably a unipolar world order is less stable because other states will seek to balance the power of the superpower leading to a rivalry. William C. Wohlforth, Professor of Government at the Dartmouth College argues in contrast that a unipolar world is more stable than realist theorists argue. He argues that the post-Cold War world has been unipolar and that the U.S. “enjoys a much larger margin on superiority over the next most powerful state or, indeed, all other great powers combined than any leading state the last two centuries.” Wohlforth further argue that a unipolar world is peaceful because the U.S. has been superior on all the underlying components of power. Because of this there has been no hegemonic rivalry over world leadership and therefore an important source of conflict in previous system is nonexistent. Wohlforth’s argument explains why American dominance has lasted for over two decades and has been far more than the moment Krauthammer predicted. It also modifies the approach of realists who argued that unipolarity would lead to rivalry and power-balance. Taken the past hundred years into consideration, the 21st century has so far been relatively peaceful. But this stability builds on the overwhelming superiority of the U.S. and it is losing its superiority in perhaps the most important underlying component of power, namely economic power. The most important component of keeping the post-Cold War unipolar world is thereby fading away and this gives room for rising powers to increase their share of power and to larger degree engage in a power balancing effort.

There are two basic views as to how stable a multipolar world will be. Either it will lead to increased competition and trigger geopolitical rivalry or these new rising powers can be successfully integrated into the post-World War two system which will lead to stability. Among those arguing that the destabilizing effects of a multipolar anarchy are reduced through a high level of institutionalization are Robert Keohane and Joseph S. Nye Jr. They argue that institutions make up for the lack of trust between states by providing a flow of information and the opportunity to negotiate. Institutions foster cooperation between states to their mutual advantage. Michael Doyle further argues that democracies do not fight each other. He bases this theory on three arguments: the existence of domestic political cultures based on peaceful international relations, democracies hold common moral values and peace between democracies is strengthened through economic cooperation and interdependence. The role of institutions is an important aspect of international relations as they have been a
vital part of the post-World War II system which western democracies have worked within for close to seventy years. Throughout this time however, this system and these institutions from economic organizations to military alliances have had a powerful protector in the U.S. and the western world has had the freedom led by the U.S. to shape world relations. Mearsheimer used Europe after the Cold War as an example of a multipolar “world” that would be unstable. The main reason that a multipolar Europe would be more instable according to Mearsheimer, was the absence of an actor providing security. Throughout the last two decades however, the U.S. has been that provider of security on the European continent. The relative peace in Europe of the post-Cold War era can thereby be explained through two factors: the overwhelming superiority of the U.S. which has prevented power-balancing and the high degree of institutionalization among fairly homogenous democracies in the West protected by the U.S. While liberal institutionalists may very well be right that the high degree of institutionalism in Europe has been vital in preserving peace in after the Cold War, the presence of the U.S. as a security guarantor is likely just as important. After all, there have been military conflicts on the European continent after the Cold War which was not resolved before the U.S. got involved. Another problem with applying this logic to a multipolar world is that Europe to a large degree is homogenous with most nations scoring high on democracy. The new emerging powers do not necessarily fit into this framework. G. John Ikenberry nonetheless further elaborates on the issue of liberal institutionalism claiming that the liberal world order will not only survive, but thrive in a multipolar world.9

G. John Ikenberry has coined the term “the liberal world order” to describe the post-World War II system centered on the West. This is the framework that the U.S. and Europe developed, defended and works within. According to Ikenberry this system is the product of two order-building projects that began with the Peace of Westphalia in 1648 which created the modern state system. The other project is the construction of the liberal order. Ikenberry describes this system as highly developed, expansive, integrated, institutionalized and deeply rooted in the societies and economics of both advanced capitalist states and developed states. It is based on capitalism, the idea of free markets and openness. Ikenberry has strong faith in this system and argues that the “underlying foundations of the liberal international order will survive and thrive.”10 Ikenberry argues a typical liberal institutionalist approach arguing that the new emerging powers will seek power within the system instead of challenging it and that these institutions thereby will remove much of the tension from a multipolar world. In this system the U.S. remains the sole leader and a strong liberal world order led by the U.S. can
help preserve U.S. dominance in the world as the leader of a strong alliance. Contrary to Ikenberry’s believes realist scholars argue that a multipolar world will not be stable.\textsuperscript{11}

The world does not change from unipolar to multipolar over night; it is a gradual process. A unipolar system with a weakened U.S. being challenged on the economic front and an asymmetrical multipolar system will trigger the same power balance. Charles Kupchan argues that the end of America’s unipolar moment will trigger structural sources of competition that might override the sources of peace, being international cooperation and the overwhelming strength of the U.S. Mearsheimer indentifies several reasons as to why a multipolar world will create more instability. The unequal and shifting balances of power among several great powers in a world where there is little room for trust among states and where each state must guarantee for its own security will create competition and instability. He further argues that conquest is less difficult and more tempting in a multipolar world and that great powers are more inclined at taking risks. Mearsheimer, together with Kenneth Waltz present a typical neorealist view of international relations; an approach in which bipolarity is preferable to both unipolarity and multipolarity because both the latter will lead to increasing power balancing or a world with increasing power competition.\textsuperscript{12}

The rise of the rest will challenge the future world order. It will challenge the global balance of power, and as the strongest state it will challenge the U.S. the most. Ikenberry does not consider the full effect on the liberal world order of a weakened leader. Not only has the U.S. but the entire liberal world order has faced severe problems after the 2008 financial crisis. Countries in Europe are struggling more than the U.S. While countries in the Arab world are fighting for more democracy European nations like Italy and Greece are no governed by technocrats actually reducing the degree of democracy. Furthermore, Ikenberry argues that the liberal world order is a development of Peace in Westphalia. These emerging powers however, have not developed as much as the Western world and are to a much larger degree occupied with the sovereignty of states. This is why countries such as China and Russia oppose Western led military interventions, and it shows that these states are not in tune with the liberal world order on how to handle international conflicts. Robert Kagan argues that in contrast to what Ikenberry believes the liberal world order will not continue to thrive despite the decline of the U.S. There are two reasons for this. First, the decline of the U.S. and the West is weakening the liberal world order making it less attractive for the emerging powers. Second, there are some fundamental differences in how the West and many emerging
powers approach international conflicts, such as military interventions as a method for building democracy for example. Integrating these rising powers would have been quite the challenge with a strong and thriving liberal international order, but it is even more challenging now with the strongest defenders of the order in decline as a result of the financial crisis. The system is dependent on a strong leader and although Kagan does not believe that America will decline he argues that a decline of America will lead to a different world for everyone.  

Fareed Zakaria suggests that “the great shift taking place in the world might prove to be less about culture and more about power.” The decline of the U.S., the emergence of new powers and the transition to a multipolar world is unlikely to be peaceful. Historically, power transitions have been fraught with danger. The rise of the rest will lead to multiple challenges in the world, in every region of the world. Many of these emerging powers will only increase their influence regionally like South Africa while others have the potential to challenge the U.S. on some parts of the global stage like Russia or China. It is not possible to treat the BRIC countries as a unity; it is misleading to speak “of the rise of Asia.” These new emerging powers are not a unity with similar interests and capabilities. China, Japan, India and Indonesia all harbor differences and suspicions about one another and will not act as one block against the U.S. in a multipolar world. This further complicates international relations because it will not be the West against the rest, but multiple potential conflicts around the world and not single power strong enough to prevent or solve them all. But as the strongest power the U.S. will be most challenged by the new world order. When George H. W. Bush spoke of a new world order after the Cold War ended, in all reality he simply pointed to an expansion of the existing world order. But the U.S. led western world order is challenged just as much as the U.S. as new countries rises to power. Many of these powers lack the basic characteristics we associate with democracies. At the same time they have vast natural resources that reduce their dependence on playing by the established rules of the western order. They have leverage. A multipolar world will change the rules of the game and the West will not be able to control every event or set every rule as it to a large degree has the past seventy years. The question is how the U.S. will respond to the global challenges associated with a multipolar world.
3.4 American Foreign Policy

The United States is a fairly young nation but one that still has had time to develop a variation of approaches to political issues; foreign policy is no exception. Although it generally can be said that there is a conservative and a liberal tradition in the U.S. correlating with the Republican and the Democratic parties respectively, it is misleading to talk of a conservative foreign policy and even more misleading to speak of a Republican foreign policy. Within these two parties lie variations of conservatism and liberalism, from radicals to moderates which hold different beliefs on what the role of the U.S. is in the world, what issues lie within the foreign policy interest of the U.S. and how America best should pursue these interests. This topic has been thoroughly treated by scholars not only in the U.S. but all over the world attempting to classify and develop theories suitable for explaining the various approaches in the U.S. on foreign policy.\footnote{See e.g. Richard Hofstadter’s \textit{The American Political Tradition}, Louis Hartz’s \textit{The Liberal Tradition in American} and Seymour Martin Lipset’s \textit{American Exceptionalism}.} What is important to understand however, is that the American political thought originates from a common background. It is rooted in the history of the U.S., and derived from the puritan inheritance, through the founding of the republic until the present a commonly held belief that America is exceptional.

The theory of American Exceptionalism can be traced back to the writings of Alexis de Tocqueville, a French aristocrat which in his \textit{Democracy in America} refers to America as exceptional. This idea of exceptionalism stemmed from principles this young nation was built on which in many ways was a contrast to the old countries of Europe. Seymour Martin Lipset argues that the American creed is built on five principles: liberty, egalitarianism, individualism, populism and laissez-faire. Equality in the American sense of the term including equal opportunities and not of result or outcome is reflected in the lack of a feudal structure, monarchy and aristocracy. Another important aspect of the American identity is the high degree of religiosity but, the separation of church and state understates the idea of individualism in the U.S. The people of the U.S. did not, unlike most other countries have a shared history or culture and the republic was founded on these liberal ideas\footnote{Here liberal is defined by its contrast to European conservatism including the separation of church and state, the absence of monarchy, the rejection of mercantilism and so on.}, the American creed. In many ways “Americanness” was defined by what is was not. One could choose to be American or by rejecting American values be un-American; to be an American was an ideological commitment. In many ways America was at its founding exceptional compared to the “old world” and this led way to the idea that the U.S. has an exceptional role to play in
world affairs which over the history has influenced the way the U.S. behaves in foreign relations.¹⁶

Two concepts are central to this discussion; the first is the idea of the U.S. as a “City upon a Hill,” and the other one the idea of “Manifest Destiny.” It was Puritan leader John Winthrop who spoke of the U.S. as a city upon a hill in 1630 meaning that the U.S. would be a model for change in England. These words however, have come to represent the special position of the U.S. in world affairs as a role model or example to the rest of the world and American leaders from George Washington to Barack Obama has echoed Winthrop’s words. The idea that the U.S. has a special mission of exporting American democracy and freedom has whether real or imagined has had an effect on the history of U.S. foreign relations. The idea of Manifest Destiny builds on the same notion implying that the U.S. not only has a right to, but also a duty to expand their ideals and values across the world. Initially used to justify westward expansion it was used by prominent political figures such as Abraham Lincoln and Woodrow Wilson and continues to influence American political ideology. The idea of American exceptionalism, the special role of the U.S. in world affairs and the self-perceived right to defend and export democracy is the corner-stone of the American political thought on foreign affairs in the U.S. regardless a party affiliation and background. This has however, affected American foreign policy in different directions.¹⁷

Historian Walter Russell Mead, senior fellow for U.S. foreign policy at the Council on Foreign Relations argues that throughout centuries, Americans have had four basic ways of looking at foreign policy. These four schools, Hamiltonians, Wilsonians, Jeffersonians and Jacksonians have reflected contrasting and complementary ways of looking at foreign policy and have focused on different areas of importance in American foreign policy from trade to security. Hamiltonians believe that a key to domestic stability and effective action abroad lies in a strong alliance between the national government and big business and focuses on the nation’s integration into the global economy. Wilsonians are those most clearly linked to American exceptionalism with the belief that spreading democracy is both a moral obligation and an important national interest. Jeffersonians are generally more skeptical of U.S. foreign involvement and hold that the U.S. should be more concerned with safeguarding at home. Jacksonians are mostly concerned by the physical security and the economic well-being of the American people. Mead argues that the foreign policy debate throughout history in the U.S. has been shaped by these four schools. Mead’s four schools are important because he
identifies different sentiments in the American people on how they perceive and think about foreign policy. His schools are based on important historical figures and historical events that have contributed to shaping American foreign policy. Of the four schools, two can be said to be typical internationalist with focus on either trade or the promotion of security. The Jeffersonian school explains some of the isolationist sentiment that lies in the American public while the Jacksonians are somewhere in between. As opposed to international relations theory Mead explains the foreign policy behavior of the U.S. not only from a system level focusing on the relative strength between nations but from a state level taking into consideration the history and culture of the U.S. What is interesting to see is how American exceptionalism has given way to both international and isolationist approaches to foreign policy.18

Exceptionalist ideas have influenced American foreign policy throughout history but the consequences have varied greatly from crusading interventionism to a larger degree of withdrawal from world affairs. The idea of the U.S. as isolationist however, is debated.viii While as Mead argues there is a sentiment among the public in the U.S. that holds the belief that the U.S. should focus on domestic issues and that entanglement with world affairs will lead to (unnecessary) problems for the U.S. it can be questioned in the U.S. has ever really been isolationist.19 That it has been more internationalist in some periods than other is perhaps more correct to say. There is however, a general consensus that since the Second World War the U.S. has been active in world affairs and has asserted itself as the dominant leader of the world. The theory of exceptionalism provides a base to the discussion of American foreign policy, but exceptionalism alone does not explain the various foreign policies conducted by American presidents. It is therefore equally important to add Mead’s four schools to the equation as different presidents have emphasized different perspectives when in the Oval Office. To analyze how the U.S. will respond to the challenges of the future it is important to have knowledge of the past, and one debate in particular is essential: the debate on a Grand Strategy for the U.S.20

3.5 U.S. Grand Strategy

“A grand strategy consists of a clear articulation of national interests married to a set of operational plans for advancing them.”21 This definition of what a grand strategy is fairly loose and gives room for interpretation. While some argue that the only time the U.S. has had

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viii See e.g. Bear F. Braumoeller’s *The Myth of American Isolationism* and Hilde Restad’s *Old Paradigms Die Hard in Political Science: U.S. Foreign Policy and American Exceptionalism.*
a grand strategy was during the Cold War others argue that several presidents in the history of the U.S. has had a grand strategy. Joseph Nye argues that in the nineteenth century U.S. grand strategy was simple. The goal was avoiding entanglement in the European balance of power, dominate the Western Hemisphere and keep an open door for trade in Asia. In the course of the twentieth century however, things got more complicated and six presidents attempted major transformation of U.S. grand strategy. Nye and John Lewis Gaddis argue that Franklin D. Roosevelt succeeded in transforming U.S. grand strategy into a structure, which endured for more than half a century. President Roosevelt’s strategy was successful because he seized the opportunity connected to the threat posed by Hitler’s Germany and the Japanese attack on Pearl Harbor to gain the nation’s commitment to multilateralism. He had a set of ideas combining the pragmatic ideals of President Wilson, the soft power of his Four Freedoms and the hard power of the four (later five) policemen of the UN Security Council. He also created larger economic interdependence though institutions like the World Bank and the IMF. However, it is perhaps Roosevelt’s successor who is known for the most famous of all U.S. grand strategies, namely the policy of containment. President Harry S. Truman faced yet another challenge, the threat of the Soviet Union. The policy of containment was first coined by George F. Kennan which at the time stationed at the U.S. Embassy in Moscow. He anonymously wrote an article known as the X-article in where he described the Soviet conduct and the threats posed by the it. Truman met this challenge by continuing developing the strategy from FDR establishing the policy of containment described in detail in the NSC-68 and permanent alliances. According to Magstadt the strategy of containment gave American foreign policy a “new rationale, a clear purpose, manageable aims and objectives and a blueprint for achieving the prize without provoking another war.” The policy of containment had, as all other doctrines its opponents and was adjusted throughout the Cold War by succeeding presidents but it nevertheless remained the guiding star until the fall of the Soviet Union in 1991.

The two most successive attempts of transforming the U.S. grand strategy came during times of crisis. FDR faced the threat of Germany and Japan and Truman the threat of the Soviet Union. Nye argues that while a crisis is usually necessary for transformational policy to succeed, it is not a sufficient cause. 9/11 might be proof of this. President George W. Bush faced the first major attack on U.S. soil since the Second World War and consequently launched the War on Terror. His strategy included making the world safe from rough states

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ix See e.g. Thomas Magstadt and Joseph S Nye, Jr.
like Iraq and building democracies. While his strategy created a brief consensus in Congress, the wars in Iraq and Afghanistan soon turned into a quagmire. His successor was elected on amongst other a promise to end the two wars and it seems like Bush’s transformational policies and his War on Terror did not live well beyond his presidency.

There are some similarities between the American presidents of the post-Cold War that are interesting. Robert Kagan argues that the U.S. is a liberal, progressive society through and through, and to the extent that Americans believe in power, they believe it must be a means of advancing the principles of a liberal civilization and a liberal world order. This is the general underlying trend of all post-Cold War presidents. President George W. H. Bush who treaded unfamiliar water after the end of the Cold War had a vision of expanding the liberal world order. President Clinton had his primary foreign policy focus on trade and was perhaps Hamiltonian in his approach, but during his presidency the U.S. was involved in military operations all over the world such as in Serbia and Sudan for example. President George W. Bush arguably belongs to the Jacksonian tradition. While he entered office with a strong focus on domestic policies, the attack on 9/11 changed this and Bush became even more preoccupied with foreign policy and democracy-building than the previous presidents. Melvyn Leffler argues that the foreign policy of George W. Bush was not as different from his predecessors as popular belief holds. He was perhaps more “hawkish” than Bush Sr. and Clinton, but all over his policies build on the same ideologies as the two others. President Obama has continued on the same line with the invasion in Libya. Bush Sr., Clinton and Bush Jr., however led the U.S. in a time where the U.S. enjoyed overwhelming strength, which gave considerable leverage in international affairs. George W. Bush who led the U.S. at the height of unipolarity could afford to act unilaterally paying little attention to what the world including U.S. allies though. This formidable strength might also have reduced the need for a clear and concise U.S. grand strategy. The world now facing Barack Obama might very well change this.  

3.5.1 Obama’s Grand Strategy

Daniel W. Drezner, Professor of International Politics at Tufts University argues that there are two kinds of events that can trigger the kind of uncertainty necessary for a grand strategy. The first is massive global disruption like a war or depression and the other is a power transition. Both of these events trigger uncertainty and create a situation where grand strategies can provide a functioning road map for how to interpret current events and the appropriate policy
responses. While Obama has not faced an attack on U.S. soil such as George W. Bush did, he is being faced with both conditions raised by Drezner: a massive global disruption with the financial crisis and to some extent the revolutions in the Middle East, and power transition. Drezner argues that states in relative decline can respond in a myriad of ways from graceful retrenchment to preemptive conflict. Obama has not expressed a clear and concise grand strategy to meet the challenges described by Drezner. It also important to remember that Obama to a large degree agrees with Robert Kagan that U.S. decline will only happen if the U.S. allows it. Despite the lack of a clear grand strategy, Obama’s years in office allows for an analysis of where he is going.\footnote{25}

President Barack Obama’s approach to the future challenge of America bears witness of a pragmatic president. Drezner argues that Obama entered office with three strategic convictions. First, domestic rejuvenation: “We have failed to appreciate the connection between our national security and our economy,” Obama stated in a speech in 2009.\footnote{26} Second, the U.S. was overextended in all the wrong places which explain Obama’s intention of ending the wars in Iraq and Afghanistan and focus more on the Pacific and Asia. Third, was to reestablish American standing and leadership in the world. This has led Obama to a more multilateral approach to international affairs than George W. Bush had, though this change in approach also reflect the transition to a multipolar world. A more multilateral approach included shifting burdens onto global partners. Stewart Patrick, a Senior Fellow at the Council of Foreign Relations argues like Drezner that this shift to a multilateral approach is a characteristic of Obama’s foreign policy. He argues that “a major strategic challenge for the U.S. in the coming decade will be integrating emerging powers into international institutions,”\footnote{27} and that it is exactly this Obama is trying to do. Drezner also argues that the Obama administration reset its policies after its first eighteen months in office, pivoting toward a second and more assertive grand strategy. This led to a switch from a strategy of retrenchment to one of counterpunching and a U.S. that has signaled that it can rally allies in response to international provocations and counter rising threats. These two strategies show a pragmatic president which seeks to integrate rising powers, but will if necessary use power to protect the U.S. and U.S. interests. President Barack Obama’s approach to a multipolar world builds on the approach of George W. Bush who encouraged China to become a responsible stakeholder in the international system. Obama has broadened his approach to include all rising powers. Secretary of State Hillary Clinton has also advanced an idea of a “multipartner” world – rejecting the notion of a competitive multipolar world – in which major states
cooperate to pursue shared interests. Obama is however, prepared to act and use power if this strategy does not work. As argued above, a multipolar world will become more unstable and Obama recognizes this in his foreign policy strategy by showing willingness to use power. He still however, pursues a strategy on the lines of liberal institutionalism seeking to integrate rising powers into a liberal world order led by the U.S. This will prove to be difficult.

There are many reasons why integrating these new rising powers into the liberal world order will be difficult. Stewart Patrick argues that the U.S. should be under no illusion believing that countries with a stake in world affairs will automatically become responsible stakeholders. He further argues that the dramatic growth of BRIC countries is transforming the geopolitical landscape and testing the institutional foundations of the post-World War II liberal order. The ideal scenario for Obama would be if the rising powers chose to embrace Western principles, norms and rules and thus integrate into and strengthen the liberal world order as Ikenberry predicts. But, these emerging powers are intent on altering the rules of the game not quietly adapt to them. As argued above, countries such as Brazil and Turkey are demonstrating stronger opposition to the U.S. Many of these countries oppose the political and economic ground rules of the inherited Western liberal order. Thus the future entering a chaotic era where “global visions will compete, norms will shift and yesterday’s rule takers will become tomorrow’s rule makers.”

The U.S. has to reexamine long-standing assumptions about America’s role in the world. Multipolarity will test the assumptions of American exceptionalism and the U.S. will no longer be in a position where it can have an à la carte approach to international relations. Integrating new powers while trying to preserve as much of the old world order as possible will be a constant balancing act, one that will demand a large degree of multilateral cooperation; a multilateral cooperation that will be more difficult as more powers enter the stage and the traditional powers loose strength. Historically, status quo powers resist accommodating new powers and Obama’s attempt to integrate these new powers will not only be challenging but the new rising powers will at best seek to change the system, if not operate on the edge of or outside of it. Conflicts will arise and despite Obama’s attempts it will be more unstable. This will also affect the relationship between the U.S. and its allies, including the transatlantic relationship.

3.6 The Transatlantic Relationship in a Multipolar World
There have been debates among scholars since the before the end of the Cold War on whether or not NATO would continue as an alliance and the underlying argument has been that
transatlantic ties are weakening. The transatlantic relationship will continue to meet challenges in the future. Not only is the U.S. facing decline but so are many countries in Europe. Furthermore, Europe is still dependent on the U.S. as a security guarantor. General Secretary of NATO Anders Fogh Rasmussen stresses however the importance of keeping the American allies invested in NATO and in European security. He warns that despite smart defense, without proper investments and prioritizing defense spending there is a risk for a divided Europe which is weaker and increasingly drifting apart from the U.S. which he believes will reduce European capacity to guard their population from new threats. The U.S. is also increasingly focusing its attention to the Pacific continent and is decreasing its military presence in Europe as a part of the new military strategy. This gives fuel to the debate of the transatlantic relationship and by that the debate on NATO’s existence. A third issue has been that the U.S. and the European NATO members do not have the same priorities in foreign affairs. While the U.S. deal with threats such as the proliferation of weapons of mass destruction, terrorism and “rouge states, European states look at challenges such as ethnic conflicts, migration, organized crime, poverty and environmental degradation. European countries are more occupied with “soft” issues while leaving “hard” issues up to the U.S. This is a truth with modifications as the European NATO members have contributed to, and even in the case of Libya led military operations. Robert Kagan argues that these diverging interests are not a result of cultural differences but a result of the difference in power capabilities. While Europe has been considered economically strong and military weak after World War II it has focused on issues that can be resolved economically and through diplomacy, while leaving issues demanding military capabilities up to the U.S. European NATO members are perhaps more inclined to believe in the institutionalized approach to international relations whereas the U.S. to a greater degree acknowledge the need for power.  

Kagan argues that the U.S. has an interest in protecting Europe and argues that the U.S. would “shed more blood [on European soil] should Europe fail. The transatlantic relationship remains strong and will continue to be strengthened. It can be argued that the reduced American military presence in Europe is a sign of weakening ties, but on the contrary this will strengthen the relationship. Similar gloomy prediction was made when the U.S. withdrew from Europe after the end of the Cold War. Not only will it free up resources for the U.S. but it will also create an incentive for the European NATO members to prioritize defense spending and work towards creating a more efficient structure to increase military capabilities. And as Kagan suggest, should Europe fail, the U.S. is unlikely to sit on the fence
and watch many of its strongest allies go down. The rise of new powers like China will not contribute to weaken transatlantic ties, but instead strengthen them and with the increased focus on security issues the Atlantic partners are likely to overcome the challenge of diverging interests.\textsuperscript{32}

With the increased focus on security in a multipolar world alliances will become more important. While Western Europe benefited most from the alliance during the unipolarity era of the U.S. the transatlantic relationship will have increased importance for the U.S. in a world which holds considerable more potential challenges than the world has seen in the previous two decades. NATO will be an important part of this as a collective defense organization with considerable capacity it holds the key to a strengthened transatlantic relationship in a time where security issues will become the most important focus of the U.S. The shift in power that will occur over the coming years will also likely silence some of the debate surrounding NATO’s existence. An historic analysis on how NATO adapted after the Cold War to remain relevant will show that NATO has every possibility to adapt again, and become more relevant than ever.

3.6.1 How NATO Adapted to Survive the Cold War, and Can Do So Again

After the end of the Cold War many believed that NATO would dissolve, like most alliances do when the threat is eliminated. A report published by The Brookings Institution claims that of the 63 major alliances in the last 500 years, 47 disbanded. Most of these alliances had collective defense as one of their core purposes and two-thirds of these dissolved due to the elimination of the threat.\textsuperscript{33} It was therefore plausible to believe, therefore, that NATO would not continue after the fall of Soviet Union and the Warsaw Pact. NATO has however, proven to be an enduring alliance despite the disappearance of a common enemy. NATO’s survival has several explanations. First of all, Patrick T. Warren argues that NATO is not only a collective defense alliance. There are two types of military alliances: multilateral alliances and security alliances. The main difference between these two is that security alliances have in them a promise for mutual defense while multilateral alliances generally do not. The objective of multilateral alliances can be anything from promoting security to tackling issues concerning human rights. These alliances may share military intelligence, supplies and conduct training together but do not promise collective defense. The presence of a unifying threat, while a common cause of alliance formation not essential to the maintenance of a multilateral alliance. A security alliance can be based on the idea of either collective defense
or collective security. NATO is the example of a collective defense alliance as argued in chapter two and was formed on against a common threat and with a “bandwagon” rationale. The UN is an example of a collective security alliance which was created in the hopes of creating stability as the members agreed upon a set of rules and norms including abstaining from aggression against their partner nations. A collective security alliance does not need to be based on the rationale of a common threat. While collective defense alliances have the shortest durability, multilateral alliances have the longest.  

Warren argues that NATO today has features from all three types of alliances. NATO is still a collective defense alliance as it is still based on article five which promises mutual defense between the members. NATO was also founded to keep peace in Europe and in article one it clearly states that NATO membership must “settle any international dispute in which they may be involved with peaceful means.” Arguably the détente established between NATO members avoided dragging non-NATO European members into new conflicts and the intention of peace in Europe worked well. NATO was also founded on common values and ideals and pledged to promote liberty, rule of law and democracy, typical of a multilateral alliance. Warren argues that over the past twenty years NATO has decreased their collective defense activities and increased their collective security and multilateral activities. The fact that NATO is founded on more than one rationale and has features from all three military alliances can explain why NATO has endured and particularly why it has survived the disappearance of a common threat. The alliance has successfully adapted into new roles serving other purposes than the core idea it was founded on.

NATO has proven that it is able to adapt to the challenges of the time and can therefore adapt again to meet the necessities and challenges of the future. The best way for NATO to do this is by balancing the original intention of the alliance with its collective security capabilities. This will ensure the stability on the European continent and keep the U.S. invested in Europe while ensuring European NATO members of the continued support of the U.S. It is also vitally important that NATO proceeds with its ideas of smart defense and that the European NATO member states invest in the security of Europe. A Europe more able to take greater responsibilities for its own affairs can free resources for the U.S. which will be necessary in dealing with challenges in regions where the U.S. does not have an as vital ally as it does in Europe. A renewed focus on Article Five and NATO capabilities in Europe, reassurance from the U.S. on continued involvement and a Europe with a larger incentive to
manage own affairs leads to a situation where both sides of the Atlantic is satisfied. It also results in an organization which is useful and covers primary interests both of the dominant leader and the bandwagoning states of Europe. NATO will gain importance not just because of structural changes of power in the world but also because it has the ability and possibility to adapt to meet these new challenges. It is however dependent on the will of state leaders to move in this direction and ensure the continued strength of NATO. How the U.S. will meet the challenges of a multipolar world is not a given. The multitude of approaches to foreign policy in the U.S. holds different answers to this question, but they are all historically rooted in the same in the same concept.

3.7 Conclusion

American decline and emergence of new powers will be the great challenges of the future. The coming of a multipolar world will mean a time with greater instability than the bi- and unipolar eras now coming to an end. The emerging powers will seek to challenge the rules of the game and the U.S. despite Obama’s intention of integrating these powers is preparing to use power if necessary to protect its interests and the liberal world order. The instability of a multipolar world will increase focus on security and this will strengthen the transatlantic relationship and NATO will be a vital part of this. NATO has proved to be an enduring alliance which after the Cold War adapted to face the new challenges of the world. NATO will have to adapt again but has shown the capability of doing just this and the increased focus on security issues will likely calm the debate around NATO’s existence. The European NATO members will however, have to bear their share of the burden and to a greater extent take responsibility for the security in Europe to free resources for the U.S. which will with the rise of new powers have to focus more of its attention towards the Pacific theater. The next chapter will analyze challenges connected with the rise of the U.S. strongest contender, China.


Zakaria, Post-American World, 3-4.


Zakaria, Post-American World, 4.


Zakaria, Post-American World, 4-5, 53-55.


Jackson, 88-91.


Davis, 20-21.

Zakaria, Post-American World, 55, 240.


Drezner, 57-69.

Magstadt, 103-139.


25 Drezner, 61.

26 Drezner. 64.

27 Patrick, 44.


28 Drezner, 57-69.

29 Patrick, 44-53.

Zakaria, 91.


Leffler, 33-45.

30 Patrick, 44.


Kagan, “Power and Weakness.”

32 NATO, “NATO Secretary General Calls for Smart Defense.”

Kagan, “Power and Weakness.”


34 Patrick T. Warren, “Alliance Behaviour.”

35 Patrick T. Warren, “Alliance Behaviour.”

36 Patrick T. Warren, “Alliance Behaviour.”
Chapter Four

Geo-political Challenges in the Far East

4.1 Introduction

The rise of competing powers and the decline of the U.S. will create a multipolar world, but not one with symmetry. The strongest contender of the U.S. in the bid for power is China. The rise of a multipolar world order is fuelled by a financial crisis and economic factors, but will have implications for security issues and geopolitics. In every era the geopolitics of relation among major powers has been a key factor in determining international relations. But international relations have become more than a battle between states in the sense of hard power and traditional military strength. The creation of the post-World War II system or the liberal world order brought with it increased economic interdependence and a web of international institutions where states cooperate. Thus, international relations is a complex game where states the lead role but are supported by a range of actors. This web of institutions however is facing two major challenges as new powers rise to power. First of all, these international institutions have depended on a leading state and the question is whether the U.S. can continue to protect the post-World War II system. Secondly, the rising powers including China have not been a part of developing this system and although as we will see in this chapter to a large degree is participating in these institutions will not automatically adjust to a western-oriented system. States also have varying self-defined interests which may not be a problem when one state is significantly more powerful than the others, but as China rise it will seek to gain more power and influence in its own region, a region where the U.S. has several alliance commitments. China is already a regional power and has a strong potential of becoming a world power. In addition U.S. alliance commitments can evolve regional conflicts to a global scale. The rise of China will lead to increased competition and focus on security
issues and this will have implications for the whole world. If Europe was the centre of U.S. attention in the 20th century, the 21st might well belong to Asia.

This chapter will argue that China will affect the future of international politics and the foreign policy strategy of the U.S. It will also argue that it will be difficult to integrate China into the western-oriented post-World War II system. Further it will argue that the main source of potential conflict between China and the U.S. lies in the perceived national interests of both countries and that America’s alliance commitments in Asia may well be challenged. The chapter will also argue that the role of NATO in an Asia-focused U.S. foreign policy strategy will depend on its ability to control Europe; NATO has to resolve the issues around the out of area debate however, and be prepared to take responsibilities for security outside of NATO’s core area.

4.2 China

Goldman Sachs has estimated that the Chinese economy will be bigger than the U.S. economy by 2027. China’s economy has steadily grown over the past three decades averaging around eight percent. Despite reduced growth after the 2008 financial crisis, China’s economy keeps a steady growth rate well above that of the U.S. China is the driving force in a region which is fast developing and China’s economic strength is based on more than the growth rate. Senior Fellow at the Peterson Institute for International Economics and at the Centre for Global Development, Arvind Subramanian has developed an index of dominance combining three key factors: a country’s GDP, its trade and the extent to which it is a net creditor to the rest of the world. China is not only the second largest economy in the world after the U.S., it is also a leading exporter and manufacturer. After Canada, it is the largest trading partner of the U.S. and a substantial trading partner for the EU. It is also the largest foreign creditor of the U.S. and is also the world’s largest holder of money. Its foreign-exchange reserves are more than double those of the next country, Japan. China strength can be measured by many factors: it is the fastest growing major economy, largest manufacturer, second-largest consumer, largest saver and second-largest military spender.\(^1\) Based on Subramanian’s key factors, the Chinese can expect to strengthen their position in the years to come. Subramanian’s analysis goes as far as to claim that by 2030, “relative U.S. decline will have yielded not a multipolar world but a near-unipolar one dominated by China.”\(^2\) Subramanian is making a bold statement, which goes further than most other in the debate on China’s future. However, he represents a large group of foreign policy experts who argue the rise of China. Still, while some accept the
trajectory path of China’s economic future, others question the durability of the economic
growth.  

Although China’s current prospect of economic strength is difficult to question, many argue that China cannot continue to enjoy this rate of unprecedented growth. Senior Lecturer in Sociology and Social Policy at the University of Sidney Salvatore Babones describes the forecasts of the Chinese economy as cautious about the near future and optimistic about the distant future. He is skeptical, however, of the accuracy of these predictions. He bases his arguments, like most others who are skeptical of China’s future power, on this uncertainty and the problems of predicting the future. Although there is no agreement on what is most likely to go wrong, there is a consensus among those who doubt the rise of China that something will happen which will end China’s economic rise. The Chinese are often compared to the Soviet Union or Japan which both had strong economies at different points in time; as known the Soviet Union collapsed while the economy of Japan entered a long lasting recession. Comparing China to both these countries is difficult. The Soviet Union suffered from a poor economic system contrary to China which has a more diverse economy. China also has one great advantage compared to Japan: its population size. In other words, China does not have to be as productive per capita as the U.S. to reach the same size in GDP which gives China time and leverage to develop technology and industry which can compete on productivity. And although as growth usually gets harder as countries grow, China has clearly developed a formula for economic growth which seems difficult to dismiss. “After all, Germany went through two military defeats, hyperinflation, the Great Depression, the collapse of democracy and the destruction of its major cities and infrastructure and yet West Germany was once again one of the world’s leading economies by the end of the 1950s.” It is unlikely that China will face problems of this magnitude also taken into consideration that China is a nuclear power and is therefore less likely to be dragged into a world war. Many still argue however, that China will face a range of internal problems that will divert its economic growth.  

China is not ignoring their internal problems. Arvind Subramanian bases his projections on fairly conservative assumptions, acknowledging that China faces major challenges in the future. Most of these challenges are internal. China will see the consequences of its “one child policy” with a large, aging population. China has a large rural population who work in farming and are generally very poor. It also has a large government sector in which many work. Furthermore their economy is controlled to a larger extent than
many western economies and they are often accused of holding their currency artificial low which in turn affects their trade balance. It is argued that the Chinese economy is severely distorted which has led to over-development of exports and subsidized energy which in turn gives China a vast pollution problem, all of which can have consequences for China’s future growth. As China continues to grow it is believed that it will be urbanized to a greater degree and a more powerful middle-class with higher demands for political reform will appear which can cause turmoil in the Chinese economy. However, China is in many ways a developing nation which is in constant transformation and it already addressing many of these problems.

In fact, as Fareed Zakaria argues one of the major turning points in modern Chinese history came in 1979 when China launched economic reforms as a result of a speech given by the newly empowered party boss, Deng Xiaoping in which he urged a regime focus on economic development. Zakaria argues that since then, China has pursued a path of modernization that is ruthlessly pragmatic. China is meeting the problems of a large rural population struck with poverty, with an urbanization process. The twenty fastest-growing cities in the world are all in China. While China is still the largest manufacturer; it is also creating job sectors that can support a larger middle-class moving into the cities. In time this might make the country more attractive for the highly educated Asian youth of which the U.S. now draws huge benefit in their technology sector. If this process gradually develops to meet the increasing demands of the population it will likely only strengthen the Chinese economy. Subramanian has included these problems in his calculation decreasing the expected growth rate of China while increasing the expected growth rate of the U.S. He still argues that by 2030 China will account for close to twenty percent of global GDP and generate fifteen percent of world trade as opposed to the U.S. with fifteen percent of the world’s GDP and half the trade of China. By Subramanian’s calculations China’s per capita GDP will also rise to half the level of the U.S. which means it will not be as poor as many project. China will be a force reckoned with in the future, first and foremost because of its economic rise but because this economic strength is accompanied by an activist global strategy.6

The U.S. still remains unchallenged in defense spending, but while he U.S. is decreasing their spending China is steadily increasing theirs. Although China ranks second in military expenditures, it only spends roughly four percent of total GDP and only one seventh of the U.S. The Obama administration has initiated cuts in the defense sector with $450 billion over the next decade. An additional cut of $500 billion may be initiated by Congress. At the same time China announced a boost in its military spending, increasing the budget with eleven
percent. Furthermore, the Chinese have selective compulsory military service with a two year service obligation. The People’s Liberation Army is the largest standing army in the world with well over two million troops. This alone does not make up for the U.S. clear advantage in hard power but is says something about available resources. “Broadly speaking, economic dominance is the ability of a state to use economic means to get other countries to do what it wants or to prevent them from forcing it to do what it does not want.” As Paul Kennedy argued there is a tight correlation between available resources and military capabilities over time and the overall resources a country has can be used to project power and it determines the degree of leverage a country has. China is in a situation that allows them to increase their defense spending while the U.S. is facing cuts and the Chinese have an unmatched pool of resources when it comes to people available for military service. Zakaria argues that China will not replace the U.S. as the world’s superpower, but on issue after issue China has become the second-most-important country in the world. This fact adds a whole new dynamic to the international system. In a multipolar world no country will have the ability to dominate over all regions in the world. China has already established itself as a regional power but may have the intention and capabilities to establish themselves as a global power. China is a very real contender for power on the international stage and the Sino-American relationship will have increasing importance.

4.3 U.S. – China Relations

U.S. – China relations today as stated by the administration is relatively good. There have been several meetings between the leaders from both nations during President Obama’s term and they claim a common understanding for the importance of cooperation on multiple areas. It is however, and will be a complicated relationship. They may cooperate on financial reform and antiterrorism while at the same time compete vigorously for market share, strategic resources and military advantage. The balance between cooperation and rivalry is influencing political rhetoric of state leaders. It is therefore not very likely that the U.S. government or the President would express any large signs of dissatisfaction with the Chinese government due to amongst other the dependence on Chinese markets for the export of American goods. Obama was somewhat more frank in his description of China before he became president, especially on areas regarding human rights violations and the relationship between China and Tibet. He has also expressed clear dissatisfaction both before and after the 2008 election regarding China’s manipulation of its currency. In a debate in 2007 he also said China is “neither our enemy nor our friend. They’re competitors.” He also stressed the need for building a strong
relationship with the Chinese and building on America’s strong bilateral relations in order to stabilize the region. With this he also thought it necessary to be clear and concise with the Chinese in areas where there was disagreements. These positions indicate some sort of halfway stance on China in which cooperation is stressed as long as it is possible, with the capacity to act against China held in reserve. As such current policy does not give a clear statement of U.S. strategy towards China.\textsuperscript{11}

Bruce W. Jentleson argues that Asia in general and China in particular have become an increasingly higher priority for the U.S. One major recent task force outlining options for a new grand strategy, argued for more of an “Asia-centric grand strategy.” The challenges posed by the rise of China are being recognized as the most important issue in geopolitics. President Obama’s actions show that he is of the same opinion. Despite anticipated cuts of at least $500 billion in the U.S. defense budget over the next ten years, the Pacific fleet will remain more or less intact. And although all branches of the U.S. military will have to undergo cuts, the Navy and Air Force will suffer the least. These are the most important branches of military for U.S. presence in Asia. In additions it is said that the U.S. will base Littoral Combat Ships in Singapore and by 2015 2,500 U.S. Marines will be deployed at a base in Darwin Australia. The U.S. is also negotiating permission to station ships and aircrafts on the Philippines. Ending the war in Afghanistan and reducing presence in Europe will free some resources for the U.S., but the U.S. military is facing major challenges in the future. The growth of the U.S. military has for the past years and will likely also in the future have trouble with so-called “hollow growth.” This means that while budgets increase, much of the increase is spent on increased personnel costs and military pensions as opposed to ships, aircrafts or more troops. Increased budgets are not giving a stronger military. The U.S. military will also need large investments in the future as opposed to at the end of the Cold War when the U.S. military was all-over in top condition. It becomes obvious that the U.S. is facing some tough decisions in the years ahead. Furthermore, it is just as obvious that in a world dominated by a China-centered Asia, maintaining naval supremacy will be of primary interest. Even if Obama should lose the 2012 election, the likely opposing candidate Mitt Romney has signaled a China policy along the same lines as Obama, albeit in saltier language. Romney’s rhetoric in the approach to China is perhaps tougher than Obama’s but more and more along the lines of what Obama stated before he was elected, but there is little reason to believe that Romney as president will drastically alter the U.S. approach towards China. President Obama’s foreign policy strategy reveals a strong focus towards Asia, and a desire to integrate China as a rising
power into the liberal world order as argued in the previous chapter. What is interesting to see is if the future of the U.S. – Chinese relationship will lead to conflict or cooperation.\textsuperscript{12}

4.4 Conflict or Cooperation?
The debate on whether China’s rise will be peaceful or not follow along the same lines as the debate on the emerging powers. There are two basic approaches: one where China is integrated into the liberal world order and the power transition in peaceful and one where China’s rise lead to increased geopolitical rivalry. One of the most prominent voices within the realist tradition on the rise of China is John J. Mearsheimer. In \textit{The Tragedy of Great Power Politics} he argues that if China becomes an economic power it will translate this economic strength into military strength and seek to become hegemon in Northeast Asia. In his view China’s rise cannot be peaceful and if China continues to grow they are likely to engage in an intense security competition with the U.S. which has the potential to develop into war. G. John Ikenberry however, believes that it is possible to integrate China into the liberal world order and that China’s rise to powers has peaceful motivations. Ikenberry’s faith in the liberal world order is strong and he argues that this system offers many incentives which make it more beneficial for Chinese to operate within the system than outside. The world is neither black nor white and while global interdependence is increasing, fundamental interests still collide and strategic rivalries persist. As argued in the previous chapter, integrating emerging powers into a system that is struggling will be very difficult. At best China will seek to change the rule of the game, and there are a number of issues that can cause more direct conflict – between China and the U.S. and between China and its neighbors.\textsuperscript{13}

This is not the only time in history when China has enjoyed power. Napoleon famously said: “Let China sleep, for when China wakes, she will shake the world.”\textsuperscript{14} Elisabeth C. Economy, Director for Asia Studies at the Council on Foreign Relations argue that for some Chinese officials, the past century – in which China has been largely absent as an economic and military force – was merely a historical aberration. China has woken up and in the eyes of many Chinese, things are now returning to normalcy. Economy argues that a change has occurred in China’s strategy. While it has been remarkably consistent over the past three decades in defining its core interests as economic growth and political stability, the understanding of what is required to achieve these goals has changed. As a result, China is advancing a more assertive strategy, a “go out” strategy designed to remake global norms and
institutions. “Never mind notions of responsible stakeholder; China has become a revolutionary power.” Chinese leaders have realized that fulfilling their domestic needs demands a more activist global strategy and it will have implications for the whole world.

The trump card used by liberal institutionalist scholars and others that argue China can be integrated into the post-World War II system is the lack of an alternative system. The argument focuses on economic integration and the incentives this open and free liberal system offers China. And there are some valid points to this argument. China is already operating within the liberal world order today by their membership in the UN Security Council, the International Monetary Fund and The World Trade Organization. China, with its economic power is actually moving more and more towards the centre of the system as object of large direct investment by foreign corporations, as holder of the largest currency reserves in the world and the world’s largest surplus in trade. China’s economic interaction not only with the U.S. and Europe but with the rest of the world is already vast. However, as China’s economic might expands, it wants not only to assume a greater stake in international organizations but also remake the rules of the game. As the U.S., China can also lead a dual foreign policy playing by the rules when this gives an advantage as well as reserving the right to act outside the game when seen as necessary. The U.S. is doing exactly this, so it should come as no surprise that other countries reserve the same right. China has several times shown that it does not automatically subside to Western established practices, norms and rules. During the financial crisis of 2008 China’s leaders issued a number of provocative statements regarding the future of the international financial system. China’s central-bank governor suggested that it might be time to move away from the dollar as the world’s global currency and the Chinese president called for an overhaul of the global financial system at the G-20 summit in April 2009. While Chinese leaders modified their statement on the dollar as reserve currency, they continued to push the issue with IMF, an organization where China is continuing to increase its voting share and influence. Economy argues that in time China may very well challenge established practices of IMF governance such as the annual review of countries’ currency practices and the governance and transparency requirements for IMF loan recipients. It is clear that the rise of China will complicate international relations and not only on the economic front. While some of these problems might be contained within the structure of the existing global institutions, several strategic challenges are visible on the horizon. China’s new assertive strategy will create rivalry these global institutions cannot solve.
Stewart Patrick argues, that while China might have economic incentives to act cautiously in the near term, the U.S.’ and China’s long-term objectives may be less compatible. The U.S. wants a stable balance of power in East Asia, a region China seeks to dominate. China has a particular interest in its neighborhood: resources. In addition to rapid growth, China is becoming more urban. Half of the world’s new building construction occurs in China; cities are being built and needs to be connected with new infrastructure. This rapid urbanization has created a vast demand for natural resources, and as China urbanizes more people are lifted out of poverty and consume of energy and the need for water is increasing. China has already surpassed the U.S. as the largest consumer of energy measured in absolute numbers and part of the “go out” strategy involves actively securing resources. Arguably the most important of these resources is water and Chinese leaders fear serious shortages in the future. Consequently they are aggressively moving to dam and divert the water resources of the Qinghai-Tibetan plateau, a move that will affect millions of people outside the country’s borders. This is generating significant concern in Bangladesh, India and Kazakhstan amongst others and is a potential source for future regional disputes. Rivalry among emerging powers such as China and India is a picture of why a multipolar world will experience more conflict. China and India, while both emerging powers will not act as a block against established powers. The two countries share a disputed border extending over 2,000 miles, compete for natural resources as the example above shows and remain acutely sensitive to changes in their relative military capabilities.  

The rise of China is not merely a regional problem. China is also challenging trade practices to support their need for strategic resources. China will have increased need for steel, copper and bauxite in the future, and a continued need for zinc, iron, lead and aluminum. In 2009 the U.S. and the EU launched a case against China in WTO claiming China used export restraints on over twenty raw materials, such as bauxite and coke which are essential for basic manufactured goods. Beijing also announced another round of restrictive trade policies, this time for rare-earth metals, cutting its export quotas by 72 percent. This will have substantial effect on the whole world as these metals are necessary to produce electronic products such as cell phones and wind turbines, and China holds a near monopoly on these rare-earth metals. This is only two examples of many where China has disregarded international trade practices to protect its strategic resources. Not only does China’s quest to secure its strategic resources show that it is willing to break with international norms but also
that it can cause conflict between China and its neighbors. Perhaps even more alarming is the country’s new naval strategy.\textsuperscript{19}

In 2010 China declared that its naval strategy had gone from costal defense to far sea defense. This expansion of the navy is a result of the perceived need to better protect the country’s transportation routes and the safety of major sea lanes. This new naval strategy visions an expansion of naval capacity in three stages. First to a navy that can cover the “first island chains” such as Japan, Taiwan and the Philippines; second, to a regional naval force extending to Guam, Indonesia and Australia and finally, to a global force by 2050. China’s new assertive naval strategy has made the South China Sea the first battleground. The South China Sea’s resources have long been claimed by a number of countries including Vietnam, but now China has expressed this as a core national interest. A three week Chinese exercise in the region caused international reactions, amongst others including the U.S. which claims to have an interest in protecting the stability, freedom of navigation and free and unhindered economic development in the area. Furthermore the U.S. and Vietnam held their first joint naval exercise ever in the South China Sea. China’s new strategy in itself could potentially create regional conflicts, but this tendency is magnified when combined with American decline. In the future, the U.S. will not be able to control all regions of the world, and China is rising as a regional power. In addition, it is fairly clear that China is intent on changing the rules of the game and the idea that China can be integrated into the existing world order and thereby strengthen it seems fairly distant.\textsuperscript{20}

Even on areas where it seems like cooperation between China and the U.S. are good, there are some problems. On issues such as terrorism, climate change, nuclear proliferation and global financial stability there is a consensus between established and emerging powers that something has to be done. However, priorities among affected powers may differ. North Korea is a good example of this. Both China and the U.S. want to eliminate the nuclear program of North Korea. But, while Washington considers this a high priority, China prefers the status quo rather than a reunified Korean peninsula hostile towards China. Professor of World Politics of Peace at Princeton University, Thomas J. Christensen argue that China is embracing its relationship with North Korea, which has damaged the U.S. – Chinese relationship. He also, as Economy and other scholars, argue that Chinese foreign policy over the past few years have become tougher and that China seems reluctant to adjust to the U.S. and the priorities of the West.\textsuperscript{21}
China’s rise to power and clear activist strategy will certainly have regional influence, but it might also have larger geopolitical impact. Mearsheimer argues that the absence of a central authority, the emergence of power-maximizing states and the uncertainty between states explains the origin of aggressive and conflictual behavior. The decline of the U.S. will lead to the absence of a central authority, because the U.S. will not be able to control situations in all regions of the world. China cannot in the future be forced to followed the will of the West, as argued above China is contesting the rules of the West. China is clearly increasing its influence and power today to protect what it sees as vital interests. In addition China is challenging the rules and norms of the system and thereby weakening the liberal world order which in turn increases the uncertainty between states. Mearsheimer points foremost to the structures of the international system when explaining why conflict almost always occurs between great powers. However, the potential of conflict does not only have a structural explanation. As argued above, this is not the first time in history that China enjoys power. The belief of many Chinese that a strong China is really a return to normal will influence the way China acts because it sees it as natural that China is a regional power with strong influence not only in Asia, but the world. Equally, the U.S. sees it as a responsibility to act as a protector of a free world. The history, national identity and self-perception of these powers partially explain the activist strategies these countries lead, when there is structural and economical leverage to do so. In addition to the stated U.S. interest of keeping a stable region on South East Asia, and acting as a protector of the post-World War II system, the U.S. has one other major strategic interest in Asia, which has the potential of creating a conflict: its alliances.22

4.5 U.S. Alliances in Asia
The U.S. has a firm commitment to its allies, and the National Security Strategy confirms this commitment stating that alliances play an important role for the national security of America. President of the Brookings Institution Michael H. Armacost argues that alliances are likely to uphold domestic support as long as the national interest can be upheld at a defendable cost and the U.S. clearly has perceived self-interest in Asia today. The U.S. will likely stand firm by its alliances, especially with the emergence of a multipolar world with increased focus on security. Although there is a sentiment in the American public and within the political debate that favors a more isolationist or aloof approach to foreign policy along the lines described by Mead as Jeffersonian, their impact on the foreign policy debate has been modest at best. The U.S. has a vast web of security alliances across the world, and Asia is no exception.23
The U.S. has a range of formal relationships with a number of countries in Asia and Oceania with different levels of commitment. In 1954 Australia, Bangladesh, France, New Zealand, Pakistan, Philippines, Thailand, USA and U.K. established the Southeast Asia Treaty Organization (SEATO). The organization was founded as a collective defense alliance but acted more as a multilateral one with the purpose of hindering communism to spread. The organization dissolved in 1977 however, due to diverging interests. In 1951 the U.S. also established a security treaty with Australia and New Zealand known as ANZUS. The multilateral organization is still active, but without New Zealand which withdrew in 1984 because of an antinuclear policy. The treaty ensures mutual defense and with this security treaty the U.S. replaced Great Britain as the largest guarantor of Australia’s safety. The U.S. also has mutual defense treaties with the Philippines, Korea and Japan. An agreement known as the Major Non NATO Ally (MNNA) also gives advantages to Australia, Thailand, New Zealand, The Republic of Korea and the Philippines in this area classifying them as important allies for the U.S. With these treaties the U.S. does not only have economic interests in the Asia area but also a large commitment to a number of allies in the area. This complicates the rise of China further, as the U.S. is obliged to protect these countries from external aggravation which can involve the U.S. in potential regional conflicts which argued above there are many of.  

Bruce W. Jentleson argues that there are two basic strategies in geopolitics, primacy or integration. He argues that a U.S. grand strategy must either aim at keeping potential rivals down or focus on bringing them in. As seen in the previous chapter, Obama is aiming more at a dual approach aiming at integration while at the same time preparing to act is this approach does not succeed. There is no doubt that U.S: foreign policy aims at keeping the U.S. as a world superpower. In presenting the new military strategy President Obama clearly confirmed this by saying that the U.S. is the “greatest force of freedom and security the world has ever known” and that he intends to keep it that way. In his 2012 State of the Union Speech he argued that the “renewal of American leadership can be felt across the globe.” According to Mearsheimer the U.S. has gone to great lengths in the past to prevent other great powers from controlling either Asia or Europe. He also argues that it is U.S. policy to check rising powers and to maintain its commanding position in the global balance of power. While the goal of integrating China primarily is economic strategy, the alliance structure will be important in containing China.
4.6. The Role of Alliances and NATO in U.S. Asia Strategy

With regards to China, it is likely that for the U.S. the various security alliances in the Pacific region will be most important. Countries like Australia and Japan will be important allies in the U.S. for checking Chinese power. This does not mean that an Asia-centered focus will in any way weaken the North Atlantic alliance. As argued in the previous chapter, a reduced U.S. presence in Europe will not weaken NATO and might force the European NATO members to prioritize defense expenditures to strengthen its defense capabilities. Specialist Director Arild Eikeland at the Norwegian Ministry of Defense claims this is and will be an important task for the European NATO members. When asked how he pictured NATO’s involvement in Asia he responded that he did not believe NATO would have any particular role in Asia, but that the most important measure European NATO members could take was claiming greater responsibility for the security in Europe, which will free up resources for the U.S. He argues that while the U.S. will focus more on Asia and the Pacific, Europe [European NATO members] will remain the principle partner in seeking global and economic security. NATO is foremost a regional security alliance and the strategic interest of European NATO members in Asia is small. However, NATO does not operate in a vacuum and global changes affect NATO members. While the U.S. will play the lead role in containing China in alliance with its pacific partners, the European NATO members must ensure the stability of Europe and its near abroad. This will be the primary role of NATO in the new U.S. Asia strategy. Should NATO engage more directly in containing China, this could threaten making regional conflicts global.²⁸

One of the ways in which NATO could become a global alliance is through enlargement. While the enlargement debate mainly has revolved around Europe there are scholars that argue NATO should open up to global membership.²⁸ This follows a maximizing approach to NATO and is argued by scholars who believe that since NATO is already operating on a global scale it should open its doors to any democratic state in the world that is willing to engage in fulfilling NATO’s responsibilities. Behind this lie two ideas. First, that NATO would strengthen its capabilities by including new members NATO already cooperates closely with through the U.S. such as Australia and Japan. Second, that allied countries will not wage war on each other as an instrument of conflicts. While NATO would certainly gain absolute military strength by including countries such as Australia and Japan for example, and

²⁸ The debate on enlargement in Europe will be thoroughly discussed in chapter five.
that is more unlikely that countries joined by a collective defense alliance would go to war with one another; a global enlargement would create problems for NATO.\textsuperscript{29}

Enlarging NATO on a global scale has two problems: first it could trigger a security dilemma and second it could make NATO inefficient. Strengthening NATO and seeking increased cooperation with countries like Australia and Japan is problematic because China would likely feel threatened and would see the alliance as a direct measure to contain China. The risk of a security dilemma is already present with the U.S. and China and if either of the two countries begins to overestimate the threat of the other the world could face a new Cold War scenario. A global NATO would certainly contribute to this risk. It is doubtful that China will accept an enlarged NATO with members on its borders. This could make China pursue an even closer alliance with Russia and North-Korea in an effort to balance NATO which arguably could be disastrous. While the risk of conflict is already imminent in a multipolar world, NATO should not contribute to either increasing the risk of a regional or global conflict. The U.S. already has strong alliances in the Pacific area which can contribute to contain China and in the event of a conflict these alliances could cooperate with NATO through the leadership of the U.S. Enlarging NATO would most likely be seen as a direct threat by China and would only add pressure to potential rivalry. Secondly, one of NATO’s clear advantages has been the possibility to make quick decisions. The alliance’s foremost strength is the combination of the integrated military structures and its permanently available political-decision making mechanisms. No other alliance has this combination of common planning and common command structure which is able to make decisions of a 24/7 basis. The alliance has fairly homogenous members and all decisions are consensus based. Enlarging NATO, outside or within Europe could reduce this advantage and make NATO a more inefficient alliance. NATO should therefore not pursue a strategy of global enlargement; the alliance will remain relevant nevertheless, especially if the European NATO members realize that they must increase their focus on the defense capabilities in Europe. There is however, one debate that must be settled among the NATO member that is also important with regards to the rise of China and that is the out of area-debate.\textsuperscript{30}
4.6.1 Out of Reach or Out of Business

NATO is already operating out of area.\textsuperscript{xi} NATO’s first new missions came on the European continent, but not as a response to an attack on a NATO member. Except from the terrorist attack on 9/11, where NATO members patrolled the skies of the United States article V has never been evoked. One can argue that NATO has unique capabilities to take on missions of varying size and intention all over the world, from humanitarian relief in Sudan and Pakistan to interventions in Libya and Afghanistan. NATO has since its first post Cold War mission on the Balkans in 1995 been engaged in missions that cover the full spectrum of crisis management operations, from combat to peacekeeping all over the world. Still, some like the Norwegian minister of defense argue that the alliance should “come home” and focus on core tasks in Europe. There is no doubt that NATO currently operates on a global scale, but there is a question of balance and how much focus should lie on the core mission of NATO and how much focus that should lie on building out of area capabilities. There are two basic approaches to this question among scholars on this issue: maximizing or minimizing. There is also clearly disagreement among NATO members reflecting not only diverging interests but also individual capabilities.

Those in favor of the minimizing approach to NATO argue that NATO should focus on the core mission of the alliance, namely being a security guarantor to its members. Norwegian Minister of Defense Espen Barth Eide is a good example of this. He argues that NATO’s increasing focus of global missions is severely weakening the alliance’s capabilities to perform their core missions. This focus on bringing the alliance home is likely rooted in Europe’s incapability to ensure its own security. Also, Norway as a small country is heavily dependent on the U.S. for security and the focus in security assurance in Europe is a result of this. Asle Toje at the institute of political science at the University of Oslo argues that NATO today has no capability of collective defense if the U.S. should choose to withdraw. The military power in NATO today mostly serves as a support to the U.S. and does not have the all over capability to act on its own. Europeans are still dependent on the U.S. to guarantee for the security on the European continent. The European NATO member should however, be reassured by the new security strategy released by the U.S. Department of Defense earlier this year which recognizes the critical role NATO plays for the security of Europe and recommit the U.S. to the commitments of Article Five. The U.S. has also reassured its European allies

\textsuperscript{xi} By out-of-area I am here referring to any area that is not a part of NATO’s core territory. NATO’s core territory is defined as the territory of the alliances members as stated in Article 6 of the treaty.
that despite the withdrawal of permanently stationed brigade combat teams in Europe, it will more actively participate in training and exercise. The U.S. will also for the first time contribute one brigade to the NATO Response Force. U.S. commitments to European security to NATO stands firm and while it is important for many European NATO members that the alliance has an increased focus on capabilities in Europe, this does not mean that NATO cannot prepare for out of area operations.\textsuperscript{31}

As the U.S. continues to reassure its European NATO allies, it is important to recognize that NATO must also be relevant for the U.S. NATO is the most vibrant security alliance in the world and there is no doubt that NATO has the capability to undertake missions all over the world if the political will is present. NATO members possess great amounts of knowledge and resources which combined give NATO as alliance capabilities that will be hard to match. President Obama has strongly signaled a reform in the American military moving away from traditional military structures and strengthening special-forces. NATO has a unique possibility to contribute to this type of military and can do so without jeopardizing the security of Europe. Barth Eide also acknowledges that NATO should be prepared to assist the U.S. in global missions when this is necessary. The security threat today is far more complex and to be able to ensure the security for its members, stability missions all over the world might be necessary, and the U.S. cannot do this alone. As NATO showed with Libya, the European NATO members are capable of taking the lead in military operations with the support of the U.S. NATO should train and be prepared to take on more such missions with the U.S. leading from behind. In this way NATO remains a useful alliance for partners on both sides of the Atlantic.\textsuperscript{32}

A strengthened NATO committed to out of area operations might also help U.S. containment strategy towards Asia in two ways. First, while U.S. alliances in Asia are likely to serve as the primary balancer towards China, a strong NATO alliance with the capability to launch global operations will have a signal effect towards China. The fact that NATO can, does not mean it should act on a global scale but that its perceived strength will add to the strength of the U.S. and contribute in a balancing act. Second, NATO’s ability to perform European-led out of area operations regionally or the near abroad of NATO’s core territory will reduce some of the financial burden the U.S. now has in ensuring the safety of its European allies. The perceived strength of a declining U.S. and West is dependent on a viable Atlantic alliance in a multipolar world, and the U.S. is dependent on an alliance that reduces
some of the financial burden it now has. NATO must be prepared also in the future to undertake missions on a global scale, even though its primary goal will be to ensure regional stability. Throughout the Cold War the reason NATO was a highly successful alliance was because it was never necessary to use it. In this way NATO can again contribute to containment, this time against the Middling Kingdom.33

4.7 Conclusion
The spread of NATO into the Asia-Pacific region is unlikely and could further tensions between China and the U.S. The most important action the European NATO members can take is to strengthen the alliance’s military capabilities without the U.S. In this way it can free up resources for America by taking larger regional responsibility while at the same time help the containment policy in the same way it did during the Cold War. Opening up for global membership is risky as it can contribute to trigger a security dilemma in an area which there already is a substantial danger of geopolitical rivalry. Involving NATO may very well evolve a regional conflict into a global one. Enlarging NATO could also decrease the efficiency of the alliance, which is one of NATO’s foremost strengths. NATO must however, be prepared to operate beyond its core area. Primarily this means ensuring stability regionally and in NATO’s near abroad, as a part of a global strategy. NATO has the capability to perform operations all over the world, but should not preventively involve in the Asia-Pacific region. NATO’s ability to act global, also in cooperation with other U.S. allies if necessary will strengthen the balancing effort of the U.S. towards China and this will be NATO’s most important role regarding the rise of China.
4 Rachman, “Think Again: American Decline”.
8 Subramanian, 67.
9 Subramanian, 66-78.
25 Patrick, 45-46.
27 Economy, “The Game Changer,” 142.
18 Patrick, 46.
20 Patrick, 46.
Economy, “The Game Changer,” 149.
22 Patrick, 46.
27 Mearsheimer, Tragedy of Great Power Politics, 1-29.
30 Eikeland, “The U.S., Norway and NATO.”
Barack Obama, “State of the Union, An America Built to Last.”
Toje, 4.
Espen Barth Eide, “Avgjørende valg for et fremtidsrettet forsvar.”
33 Espen Barth Eide, “Avgjørende valg for et fremtidsrettet forsvar.”
Chapter Five

NATO’s Near Abroad

5.1 Introduction
Since the Second World War the U.S. and Western Europe have been close allies. There had certainly been cooperation also before this point as in World War I however, it was not until after the Second World War that the U.S. fully engaged as a world superpower. In many ways it was a wartime alliance which continued in peacetime and the formation of NATO was historical for this reason. The relationship between the U.S. and Europe is in many ways however, a complex one. Great Britain is known for their special relationship with the U.S. and has been and probably is, the U.S.’ largest and most reliable allied in Europe. The U.S. has also had a strong and stable relationship to the original NATO countries with one exception; France. The relationship between the U.S. and France has been somewhat more troubled, much based on French reluctance to accept American dominance over Europe which led to French withdrawal from NATO’s integrated military command. France has also later proved greater resistance towards the U.S. in contrast to Great Britain, for instance in the case of the invasion of Iraq following 9/11, a resistance supported by Germany and Russia. After the Cold War the U.S. has also developed a good relationship to former Warsaw Pact countries like Poland and Hungary which have contributed greatly to American led operations.

The relationship with Russia has greatly approved since the fall of the Soviet Union, but it continues to be problematic as proven in the question of the anti-ballistic missile shield in Europe and Russia’s perceived self-interest in their close neighbors. Germany has however, since the Second World War become a good allied for the U.S. first represented by West-Germany and after 1989 by a unified Germany. In contrast to the opposition towards the Iraq war, both France and Germany were heavily involved in the operation in Libya. There has been a strong U.S. presence in Europe since the Second World War, also after the Cold War. Clear signals from President Obama and Minister of Defense Panetta suggest that this
presence will be sharply reduced in the future which leaves European security more in the hands of Europeans. Europe has been and still is dependent on the U.S. as a security guarantor on the European continent. The following chapter will assess the consequences of America’s diminished role in Europe. The chapter will further argue the continued relevance of Russia examine how Russia can influence the security of Europe but also the world with its strategic location. Finally, the chapter will analyze how Russia affects the transatlantic relationship and the enlargement debate.²

5.2 Trouble in Europe
To speak of Europe as a unity is misleading as Europe has a troubled history where many territorial wars have been fought changing the map repeatedly. Great powers have come and gone, alliances forged and dissolved. During the 20th century it was the centre stage for two world wars, a cold war and military conflicts on the Balkans. World War II took its toll and left large parts of Europe in ruin. The former great powers, France, Great Britain and Germany were but a mere shadow of their golden days. One could still argue that these former great powers still enjoyed a stronger position in the world than many other nations as they for instance were given a seat in the UN Security Council. However, Russia singled out and was the only power in Europe that could match the superpower status of the U.S. The relationship between the wartime allies soon became troubled however, and especially Britain experienced tension with the giant to the East. The U.S. had an interest in the European continent and President Truman formalized the cooperation with the wartime allies through the Truman Doctrine, the Marshall Plan and eventually through the formation of NATO. The U.S. also advocated European integration, in which West Germany could be included and an integrated Europe could be fitted into a wider Atlantic framework. It is no secret that the U.S. ensured a balance of power not only in Europe but the world during the Cold War. However, the Western European countries and especially the former great powers recovered with the help of the U.S. and at the end of the Cold War they were highly developed countries. When crisis erupted again on the European theater on the Balkans in the 1990s the U.S. was reluctant to get involved. It soon became clear however, that Europe was unable to resolve the crisis and NATO led by the U.S. was forced to clean up in NATO’s own backyard. This raises important questions of whether or not Europe can handle its own affairs when the U.S. is now reducing their presence and which European state will emerge as an alternative guarantor of European security.³
The war in Libya was a test for the European NATO allies, to see if they could lead an operation without the U.S. in the driver seat. In the absence of a dominant U.S. they crumbled under the pressure and observers noticed that the tone of the debate was harsher than in the prelude of the Iraq War. It is often argued that the solution to Europe’s many problems are in the EU. While this is questionable in financial matters it is even more questionable on security issues. Europe is already showing signs of fragmentation, by creating bilateral security politics in Europe. Hungary, which is both a member of the EU and NATO is enacting a controversial reform which put severe strains on democracy and the rule of law. The EU has tried to fill the void of the U.S. especially after the Cold War by integration, but is unable to keep its own house in order. This process has been far from successful. The EU in reality has no common defense policy. Evidence of this was clear in the Iraq war, with Great Britain on one side and Germany and France on the other. The three strongest powers in the EU do not stand on common ground in security issues. EU is neither a security alliance, nor close to being a collective defense alliance which means that the members do not guarantee for each other’s security. Asle Toje at the Institute of Political Science at the University of Oslo argues that the members of EU know that “collective defense among the defenseless is not an alliance, it is a suicide pact.” With the EU’s lack of a common security policy it is unlikely that it will manage to serve as a guarantor for the European continent. The ongoing crisis in EU however, has made it perfectly clear which nation is most likely to take on a leading role.4

The financial crisis has showed even more explicitly than before the EU is driven by core countries, mainly Germany in alliance with France. Germany is probably also the only country in the union and in Europe which can ensure the security of the continent. The only other state with the capacity to do so is Russia which would be problematic to say the least considered the relationship to most of Western and Northern Europe since 1945, not to say an uneasy relationship to many former satellite states. It is however very difficult to imagine, much less to speak, of a strong Germany leading Europe. Not enough time has passed since the two world wars for Germany to rise as a European superpower and the phrase “German interests” still gives horrific associations for many. Timothy Garton Ash claims that there is no desire at all for European power in Germany. At the same time he point to a perplex problem in Europe: the continent is looking to Germany to take charge at the same time thinking, ‘God forbid they do’. Chancellor of Germany Angela Merkel has argued that whatever the Germans do, it is wrong. Either they are too dominating or they are not taking enough responsibility. To say that Germany has no interest in power is perhaps at best a little
naïve and like any other nation Germany has interests. There is a possibility, however, that Germany is trying to save the EU because they are the nation that benefits most from it. Through the EU Germany and Merkel can act as leader for Europe. Wanted or not, Germany is the most likely dominant power in Europe which can be accepted by the rest of Western and Northern Europe and through the EU German interests will be more visible in the future. This does not change the fact that Germany today is in no position to take responsibility for the security of Europe. It is not only a matter of resources and capabilities but the lack of political consensus among states on the continent. There is, of course, one other country on the European continent with potential and the political ambition to rise as a leader. A Russian leadership is however, even more difficult than a German leadership to accept for most Europeans.  

5.3 Russia – a Sleeping Giant?  
World relations in the second half of the last century were dominated by the competition of power between the U.S. and the Soviet Union. Much of what we today associate with world relations from multilateral organizations to economic cooperation was shaped during this era. The Cold War drew a line between eastern and western Europe and although for many distant as the Second World War generation is coming to its end, the division created between European nations is still visible, even after the fall of the Soviet Union. America and its allies won and the Soviet Union was divided into several new nations and areas, with the strongest one being Russia. Russia however, which succeeded the Soviet Union in the UN Security Council has slowly regained some of its lost powers. Russia today is categorized as one of the fastest emerging powers known as the BRIC countries. And although not a superpower anymore, it holds much power in Europe and Central Asia. Russia has neither lack of ambition nor resources and it would be foolish not to regard Russia as a serious actor in world affairs. NATO’s core mission arguably disappeared the day the Soviet Union dissolved, but NATO has continued its operations and Russia continues to act on the sidelines of both the European Union and NATO. Russia has also established a formal relationship with China. The relationship between the West and Russia is and will be a challenge in the future of world politics.  

Russia is perhaps not as influential as the Soviet Union was in its glory days but it is unwise to ignore Russia as an important factor in world politics. Geographically the Russian territory is the world’s largest and stretches from the Arctic Ocean to the Pacific Ocean.
Russia shares borders with NATO allies like Norway as well as the rising power China. The Russian city Vladivostok is strategically located between China and Japan. Russia is also the ninth most populous country in the world and it has vast reserves of natural resources. This includes amongst other reserves of rare earth elements and coal, but the most important asset is Russian gas and oil reserves. Since the Cold War the Russian economy has thrived in large part due to their export of gas and oil which with the help of high prices on these products sent the economy booming. The financial crisis however, also reached Russia which combined with a period with lower prices on gas and oil has hit the Russian economy hard. Russian GDP however, equals approximately to that of France. Russia’s natural resources are a double edged sword. Europe and large countries like Germany are highly dependent on gas from Russia. However, the Russian economy is highly dependent on the price of both gas and oil. Luckily for Russia, the West does not seem to have a strategy to reduce their dependence on oil and gas exports and the Russian economy benefits greatly from this. Russia is also still the world’s second largest nuclear power. Understanding Russian history and mentality however, is just as important as measuring their relative strength.6

To understand Russia it is important to have good knowledge of its history. Russia is a proud nation and like the U.S. have clear traits of “manifest destiny” in their history. The Soviet Union and its leaders had clear expansionistic agenda and after World War II it seized control over most parts of Eastern Europe as well as border areas in Asia. Despite the fall of the Soviet Union, Russia still has a particular interest in these areas. The term “near abroad” is often used when talking about these areas – including Ukraine, Moldova and Georgia that were formerly a part of or largely controlled by Moscow. Russia still feels entitled to exercise some degree of control here. Russia also perceives Central Asia as a zone where it has privileged interests. This is visible in contemporary doctrines like “the Russian Idea” and “Eurasianism”. Russia is also a very proud country which does not approve when other nations try to get involved in what Russia considers internal affairs, neither in Russia nor in Russia’s near abroad. The Kremlin also considers Russia as a great power and an important geopolitical factor in world affairs. Respect is very important and Russia dislikes being overlooked or even worse lectured on how to handle internal as well as external affairs. This attitude affects Russia’s relationship with the West.7
5.4 Russia and the West

Russia is neither a permanent ally nor enemy to the West. Historically the former Soviet Union has had a complicated relationship to several of the former European great powers and has had an à la carte approach to alliances. Relations between the West and Russia have greatly improved after the Cold War but it is no permanent ally. It seeks to find a place in its own right in the international community. The relationship between the U.S. and Russia is largely dominated by conflicting interests. The post-Cold War relationship got off to a bad start. While in the U.S. it is largely believed that Reagan and the West were responsible for the fall of the Soviet Union, many in Russia put far more emphasis on the contributions of Mikhail Gorbachev. While the U.S. celebrated their victory, Russia and its leaders were not filled with grief over its defeat. Washington treated the newly established Russia as a defeated enemy and did not include Russia into the West. Neither was it a priority from the U.S. side to make Russia a strategic partner. Unlike Germany which was included into the West first after the Second World War and then the Eastern parts after the fall of the Berlin Wall in 1989, Russia did not receive the same including welcome. Dmitri Trenin argues that Russia in the 1990s tried to integrate into and with the West but failed to do so. This was caused both by the West’s lack of will to recognize Russia as one of its own but also by Russian elites choice to embrace a corporatist and conservative policy agenda at home and abroad.8

The lack of eager to integrate Russia from an American point of view after the end of the Cold War might have its explanation in its foreign policy agenda. The U.S. had its unipolar moment and focused on strengthening the U.S. as the world’s sole super power. The Soviet Union had collapsed and did not pose a threat to the U.S. and in many ways Russia was simply not taken into account. Dimitri K. Simes argue that the Clinton administration viewed Russia like a country that could be forced to follow U.S. policy and would eventually learn to accept this. However, contrary to Japan or Germany after the Second World War Russia was not defeated, it was transformed. According to Simes this profoundly shaped Russia’s responses to the U.S. Russia has not been silent over the past twenty years. Especially with the election of Vladimir Putin, Russia reasserted itself and engaged in a more active foreign policy. Russia seeks to be an independent great power in world politics. Even Russia today does not receive much attention in the foreign policy debate in the U.S. which is more preoccupied with what are perceived as more immediate threats like Iran or China. Russia on the other hand, does not challenge U.S. superpower status, but as Dimitri K. Simes argue “are no longer willing to adjust their behavior to fit U.S. preferences, particularly at the
expense of their own interests.” As President Putin has repeatedly challenged the West arguing that the future holds decisive changes in the balance of power and that Russia by 2020 again would be among the world’s most rich, powerful and dynamic states. Trenin argues that the objectives of Russian foreign policy is not only soft dominance in their near abroad but also to be regarded as an equal with the world’s alleged power centers, China, the EU and the U.S. They intend a full membership in a future global multipolar order. He also argues that in a multipolar world it cannot be taken for granted that Russia will side with the West and that the U.S. quite possibly could push Moscow into the hands of China. Relations between the West and Russia has had its upturns and downturns since the end of the Cold War and presidents Clinton, Bush and Obama have all experienced the good and bad side of Kremlin. It was however President Bush who faced the toughest challenge when his counterpart President Vladimir Putin entered office in 2000.

5.4.1 Putin’s Presidency

Vladimir Putin succeeded Boris Yeltsin and became the second President of Russia. As a former KGB man Putin portraying himself as a though guy and brought a new decade to Russia. This had huge effects on anyone standing in his way for power. Russia has never scored high on democracy and corruption was widespread. The Kremlin had presence of a high number of former KGB agents and Russia never developed a clear separation of politics, media, business and the law. Soon after Putin became president Russia’s oligarchs would experience this confusing legal situation. Putin appointed a new Prime Minister by the name of Mikhail Kasyanov in 2000 to reform Russia’s domestic affairs. Together with the minister of economy German Gref they set out to reform the tax system ensuring that more people paid their tax and then cut the tax to thirteen percent for all. Putin allegedly sought to end corruption and reduce political influence among business leaders and oligarchs. Putin also challenged the communists by proposing a law that would give the right to buy and sell land, causing massive protest as they believed the land belonged to the people. Kasyanov’s reformed worked and Putin could for the first time in Russia’s history show for a budget surplus. The story however, does not end here. As prices on oil and gas export rocketed Putin set out to ensure that the government received a larger share of these incomes and proposed a tax on oil export. This was not popular with the oligarchs and they used their influence to lobby members of the Duma making sure that the proposal would never pass. At the same time the a small government owned oil company named Rosneft were outbidding private companies in the search for new oil fields to such a degree that it was accused of corruption.
Mikhail Khodorkovsky, the head of Yukos Oil and one of Russia’s most wealthy men reacted. In a public hearing he attacked corruption in Russia not only in private business but also in the Kremlin referring particularly to Rosneft. Putin was not pleased and while not reacting at the hearing the aftermath of it would send Khodorkovsky to jail. Kremlin started an investigation of Yukos and it employees not even hiding their surveillance. The goal was to build a case against the company and its leader. Several were arrested but Khodorkovsky refused to be driven out of the country. He bought a publishing house, began to financially support Putin’s oppositions and through his democracy organization Open Russia he toured the country speaking for a better democracy in Russia. As a last attempt he tried to merge Yukos Oil with the American oil company ExxonMobil. As Kremlin got a hold of these plans however, Yukos was immediately raided for tax records. Khodorkovsky was sentenced to prison and Yukos was broken up with most of its assets going to Rosneft. This is only one example of the methods Vladimir Putin used to get a hold of natural resources, media companies and other interests. Putin tightened his grip on power in Moscow.¹¹

Power vertical was the term that came to be used for Putin’s increased control over Russia. He actively used the media which he controlled to his advantage by amongst other accusing the oligarchs of planning a coup against the government. This gave him an excuse to build a civilian army called Nasji which consisted of youths trained to interfere if there ever was a coup towards the Kremlin. He also launched a campaign to discredit any pro-democracy and human rights groups in saying that they were receiving funding from foreign intelligence. He followed up by introducing a new law that made it practically impossible for NGOs to receive foreign funding. He also changed election laws so that mayors would now be appointed by the President and not elected as earlier. It is fairly clear that Vladimir Putin was undermining democracy and the rule of law. During his presidential term he tightened his grip on power in Russia and even as Prime Minister from 2008 he continued this trail. These internal issues are a barrier between Russia and the West. Putin however, did not have a softer approach on foreign affairs.¹²

5.4.2 9/11 as a Uniting Force

Dmitry Medvedev described the relationship between Russia and the U.S. under Bush and Putin as something akin to Cold War. When George W. Bush was elected president mistrust still existed. There were an increasing number of Russian spies in the U.S. who were deported and the U.S. expected the same tactic from Russia. Russia however, answered by deporting
both spies and diplomats. As Russia’s Foreign Minister Igor Ivanov said, the goal of this was to set back American diplomacy as well as intelligence in Russia. It got off to a rocky start, that was about to get worse.\textsuperscript{13}

President Bush had an agenda which was to end the Anti-Ballistic Missile treaty in order to build a Defense Missile Shield in Europe, a suggestion that did not sit well with Russians as they claimed the shield could be used against them. The terrorist attacks on September 11\textsuperscript{th} however, shifted U.S. focus towards the War on Terror. The Russian government immediately showed their sympathy towards Russia and as Condoleezza Rice called Russia to inform them that the U.S. was raising their alert going to DEFCON three\textsuperscript{xii}, the reply from Putin made the Cold War seem decades away. Putin was bringing the level of alert down and was cancelling all exercises. Russia was sympathetic to the U.S. foremost because of their own fight against terrorism, also within their own country. It was clear however, that the U.S. would need Russian help in their operation against Afghanistan. There were no NATO bases close enough, so the U.S. asked for Russian approval to use bases in Central Asia. Russian Minister of Defense however, did not see any reason to let NATO operate out of Central Asia. The Kremlin feared that inviting the U.S. in to these nations would lead to a kind of mentoring in democracy which would lead to unwanted political processes in the eyes of the Kremlin. Putin however, had a more pragmatic approach. Russia had good knowledge of terrorist training camps, which were also a problem for Russia, and by enabling NATO’s operation in Afghanistan Putin saw a possibility to destroy these camps. At the same time he expected to use this act of cooperation to collect later. The aftermath of 9/11 nevertheless showed an unusual degree of cooperation between the West and the U.S. and the alliance that was founded to contain Russian power was now operating out of former Soviet Union areas. The U.S. and Russia had found a common ground with an issue that was a priority to both. This newfound partnership however, did not last long. Russia’s interest in their near abroad soon put them in conflict with the rest of Europe and the U.S.\textsuperscript{14}

5.4.3 Disputes on Ukraine and Georgia
A conflict that has caused problems between Russia and Europe are Russia’s border states. The concept of the “near abroad” was introduced by Moscow in the 1990s to justify its influence over the new states in the Russian periphery. Russia had a clear interest in keeping

\textsuperscript{xii} DEFCON, defense readiness condition, is an alert posture used by the United States Armed Forces. Level One is the highest alert, a condition where nuclear war is imminent. Level three indicates increase in force readiness above that required for normal readiness.
some degree of control over these states, also for security reasons. After the fall of the Soviet Union however, both the EU and NATO expanded eastwards integrating some of these states into the western framework. For NATO this was an active part of their enlargement policy seeking a more stabilized Europe through integration. For many of the new NATO members this was seen as a stepping stone into the EU and into the West. This was also important for those who had been forced into the Warsaw Pact which now could enter the western security system as free and independent states. Europe had two organizations working towards integration in Europe; but while the EU focused on economic integration, NATO’s focus lay in security. Thus, both the EU and NATO, if for different reasons, had primary interest in areas the Kremlin regarded as its domain. While this was alarming enough for Russia which considered this to break a promise given to Russia at the end of the Cold War, Europe and the U.S. also began to support regime change from within and geopolitical reorientation in Russia’s borderlands. Georgia and Ukraine are the most notable examples.15

The conflict between Russia and the West revolving Ukraine and Georgia both stemmed from the same issue: the involvement of the West in internal matters in Russia’s near abroad. In Ukraine the President was reorienting the country westwards and wanted Ukraine to join NATO. President Leonid Kuchma however, was accused of murder, corruption and breaking international sanctions by selling military equipment to Iraq. Ukraine’s admittance to NATO was not possible as long as he was president. A presidential election was coming up however, and candidate Viktor Yuschenko was striking down on corruption and was very clear in his intentions of orienting Ukraine to the west and permanently establish Ukraine as a western democracy. This did not sit well with the Kremlin. Not only did they consider Ukraine as a country of which they were entitled to some influence, Ukraine was a strategic interest. Russia’s major pipelines to Europe run through Ukraine, Russia’s Black Sea fleet is located outside Ukraine and eight million Russians live within the Ukraine borders. Putin reacted by sending his own campaign advisors down to Ukraine to help the opposing candidate Viktor Yanukovych, a candidate from the Russian industrial part of Ukraine which was Moscow friendly. The campaign turned ugly but Yuschenko was leading on polls, when he got poisoned with dioxin. He was seriously ill and sent to a private hospital in Vienna, but after only two weeks and still in terrible conditions he returned to Ukraine. This only strengthened his candidacy and on Election Day polls overseen by international observers he had an eleven percent lead. There were numerous claims of election fraud however and Putin sent his congratulations Yanukovych before all votes were counted. Massive protests followed on
Kiev’s Independence Square, the U.S. refused to recognize the election and finally the Ukraine Supreme Court ruled a new election which Yuschenko won overwhelmingly.\textsuperscript{16}

Georgia also experienced political turmoil started by the political opposition due to alleged election fraud and dissatisfaction with President Shevardnadze, a former foreign minister in the Soviet Union. The President called on Russian help to overcome the western oriented opposition and Kremlin sent their minister of foreign affairs Igor Ivanov. He tried to reach a compromise by suggesting holding a new election while at the same time keeping the president. This did not succeed and the president stepped down. The new president, Mikhail Saakashvili, did not exactly hide his devotion to the west and at his inauguration which both Minister of State Colin Powell and the Russian foreign minister attended, the EU flag was hoisted and Ode to Joy was played. The episodes in these two states made it clear to Moscow that their influence even in post-Soviet space was waning. Russia also accused the west of funding pro-democracy groups within Ukraine and Georgia and was openly dissatisfied with the meddling in these states internal affairs.\textsuperscript{17}

The episodes in Ukraine and Georgia were set off by the desire to reorient towards the West. And they showed a clear dissatisfaction in Russia regarding the expansion of NATO. Nonetheless, Putin had himself travelled to NATO’s headquarters in the aftermath of 9/11 where he quite frankly asked secretary-general George Robertson when Russia would be invited into NATO. Putin was trying to cash-in his help to the U.S. and NATO against Afghanistan. The response was akin to a dismissal: there are no invitations, Russia had to apply. Putin’s response was clear: Russia would not stand in line with a lot of small countries that did not matter. The German Chancellor Gerard Schroder, welcomed the idea of Russia in NATO and thought it would be good both for the alliance and for Russia. Hardliners in Washington and Moscow disagreed. Neither could the NATO members agree on the future of Ukraine and Georgia in NATO. The tables were turned, this time around, with Angela Merkel and Germany the strongest opposing voice while George W. Bush and the U.S. was in favor. Germany however, argued that Georgia could not join NATO on account of internal conflict and an ongoing conflict with Russia. Georgia’s hope of entering NATO however, had a profound impact on the military conflict over South-Ossetia and Abkhazia.\textsuperscript{18}

Georgia was facing a war with Russia over two rebelling regions within the Georgia’s territory. This would bring the U.S. closer to war with Russia than they had been at any time since the end of the Cold War. Georgia asked the U.S. for military assistance fearing that
Russia would again seek territorial expansion bringing gloomy memories from the era of the Soviet Union. Georgia failed to take into consideration however, that Georgia was not a vital interest for the U.S. and they were not about to risk war with the Russians over this. Russia saw a possibility to gain influence in an area where they recently had been embarrassed. They recognized the independence of South-Ossetia, appointed Russian ministers and offered Russian citizenship to everyone who wanted it. The U.S. attempted a diplomatic solution but the conflict intensified with heavy military support to the rebellions and Russian military presence increased. Negotiations were again initiated but this involved a Georgian promise to never use force in these areas, under Russian surveillance. This was unacceptable for Georgia which sought to include the world community. Then fights broke out between Georgian peacekeepers and rebellions and Condoleezza Rice travelled to Georgia. She convinced President Saakashvili to sign the no force pledge and declared publically that the U.S. would stand by Georgia. Georgia was also painfully aware that the use of force would seriously harm their chances of joining NATO. U.S. support did not seem to effect the Russians who drove tanks into a foreign country the first time since the Cold War. Kremlin also stated to the U.S. that they would pull back if the President Saakashvili was replaced, which was unacceptable as he was democratically elected. France entered the conflict but President Nicolas Sarkozy did not succeed either. Finally President Bush approved a humanitarian mission by the U.S. military in Georgia and the conflict came to an end. In the end it became quite clear that standing alone was a price Russia was willing to take and the conflict left the relationship between the U.S. and Russia at a new post-Cold War low. Outside of Europe there were also conflicts of interest, particularly in the Middle East. This gives another example of Russia’s case to case approach on alliances.19

5.4.4 Middle East and Russian Interests Outside Europe

Conflicts regarding the Middle East are perhaps the most pressing, but Russia’s relationship with China can also become an issue. Russia opposed the war in Iraq and made an effort to balance U.S. and British power in agreement with Germany and France. According to Condoleezza Rice this was a surprise. The U.S. did not expect Russia to back a military intervention but they expected support based on their joint effort to fight terrorism. Russia however, argued that there was no evidence supporting U.S. accusations of Iraq weapons of mass destruction. Russia teamed up with France and Germany instead signing a united declaration saying they would not support a military intervention as long as there was no solid
evidence of WMDs. Not only were Americans unable to secure Russia’s support, but the closest allies of the U.S. were siding with Russia on a matter of security interest for the U.S.\(^{20}\)

Russia is also partially siding with Iran. Although Russia claims to oppose an Iranian development of nuclear weapons Russian leaders have defended Iran’s nuclear project and the right to enrich uranium under the inspection of the International Atomic Energy Agency. While Russia is cautious about a possible future threat from Iran, the Kremlin is not likely to support an American military operation against Iran; publicly the Russians advocate a peaceful solution. In the UN Security Council Russia is showing frequent unity with China. Both Russia and China have been reluctant at backing tougher sanctions towards Iran and together the two permanent members of the Security Council are blocking a resolution on Syria. Russia has in general disapproved of the West’s involvement in the Arab Spring. In the Israel-Palestinian conflict Russians are clearly pro-Palestine and Moscow has suggested a closer cooperation with Muslim nations such as Turkey. While Russia has been clear in its support of the U.S. in the fight against terrorism and radical Islam, the Kremlin shows time and time again that they disagree with the U.S. on the means of fighting terrorism and are clearly most supportive when they have something to gain. Russia is struggling with internal problems due to its own Muslim population and strategically Russia is worried about the growth of terrorism in countries in Asia. There are clearly areas where the U.S. and Russia could benefit from better cooperation like terrorism and energy security. But Russia is also looking to the east amongst other through the Shanghai Cooperation Organization in which they are cooperating with China and other Central Asia’s nations on security, intelligence sharing, energy and economic matters. Iran is also seeking membership in the SCO.

Putin has said that he welcomes the rise of global Chinese power and claims that Beijing shares Russia’s vision of a world order. According to Putin there is a high level of trust between the leaders of the two countries and he believes that Russia has a friend in Beijing that will support him in future though decisions. Arguably Putin sees China the same way he sees Russia, as an independent global actor on the rise. Russia keeps the door open to cooperation both to the east and the west. Clearly, there is little doubt that the U.S. and Russia stood on opposing sides on many international matters and the presidencies of both Bush and Putin ended on a strain with many questions unresolved. In 2008 George W. Bush was preceded by Barack Obama, and Putin switched positions with his Prime Minister Medvedev. Washington called for a reset, but the reset was not trouble free.\(^{21}\)
5.4.5 Reset with Obama and Medvedev

In a symbolic gesture to restore the relationship between the U.S. and Russia Secretary of State Hillary Clinton travelled to Moscow with a red button with the text “reset” on both English and Russian. Ironically enough, Clinton had gotten the Russian translation wrong and used the word for “overcharge” instead. The mistake was received with friendly laughter but it would soon be evident that reset between Washington and Moscow was not so easy. There were two major issues that were in focus from 2008. First of all the Strategic Arms Reduction Treaty (START) had to be renegotiated and the recurring issues of a missile defense shield in Europe was not solved. START had to be renegotiated and Obama was seeking to cut offensive missiles in half in the new treaty. Russia saw the renegotiating of START as a good possibility to approach the issue of a missile defense shield in Europe. Russia had long opposed the shield and the equipment placed in Poland and the Czech Republic. The Kremlin argued that the missile defense shield was not only a measure taken to protect Europe from Iran, it was also aimed at securing Europe from Russia. It showed that there still was mistrust among the two countries and efforts to persuade the Russians that this shield would also protect the Russians against Iran did not sell to the Russians since they did not believe that Iran would possess weapons in the near future that would make this shield necessary. The renegotiation of START thereby got off to a bad start and negotiations was affected by the U.S. opposition against making the missile shield a part of START. The deal was important to Obama and he was not interested in being in a situation where the old treaty had expired and there was no treaty in force regulating the strategic arms of the world’s two largest nuclear powers. He put the planes on the missile defense shield on hold and the situation improved some when new discoveries on Iran’s weapon capabilities were made and Russia became willing to join sanctions. A new strategic arms treaty was signed and Obama even persuaded Russia to stop a major weapon sale to Iran. Relations between the U.S. and Russia seemed to have improved despite a long process on the new START-treaty. Obama and Medvedev also renegotiated issues on trade which led to a U.S. approval for Russian WTO membership. Medvedev continued on a positive note and tackled corruption in Russia firing a large number of bureaucrats and mayors. With Medvedev in power, Russia took a new step towards the modernization of the political and legal system that the West so clearly wants from Russia. Relations between the U.S. and Russia improved, and while some issues remained unsolved it was more positive than during the Bush-Putin years. As Prime Minister however, Putin changed the laws allowing him to run for a new term as president at the same time as the
expanded the terms from four to six years. On March 4th 2012 he was again elected president of Russia.  

The U.S. will in all likelihood have to deal with Putin until 2024, which could again sour the relationship. He repeatedly launched verbal attacks against the U.S. as a part of his campaign. This new wave of anti-Americanism sits well among the working class which is the largest base of support for Putin. Putin has argued that the U.S. and the West is losing their power and influence and that Russia will be a great power in international relations. Moscow is presenting itself as a counterbalance to the U.S. and one of Putin’s advisors claimed that the whole world would be grateful to Russia for serving as a counterweight to U.S. hegemony. The rhetoric on both sides is heating up, and with the rise of China and fragmentation of power in the world, the U.S. does not need another enemy. Russia has since that Christmas Day in 1991 neither been an ally nor an enemy to the U.S. But its different take on many international conflicts and with Putin as president it is time to increase the focus on Russia, especially the effect it may have on the transatlantic relationship. The debate over enlargement in NATO will influence the relationship between Russia and the West.

5.5 Enlarging NATO

One of NATO’s adjustment to the post Cold War world was opening up to new members and expanding into the former Warsaw Pact countries and Soviet’s previous domain. NATO has also formalized cooperation with numerous other countries through such initiatives as Partnership for Peace, Euro-Atlantic Partnership Council, the Mediterranean Dialogue and the Istanbul Cooperation Initiative. NATO’s latest strategic concept from 2010 clearly state that NATO keeps the door open for any European nation that meets the standards for membership. The purpose of expanding NATO in the 1990s was to “build an improved security architecture in the whole of the Euro-Atlantic area.” NATO saw a unique possibility to draw the map of security all over again and strengthen the alliance for the future. As a result of this, Poland, Hungary and the Czech Republic were invited to join NATO at the Madrid summit in 1997. The Americans, with President Bill Clinton argued that this was a possibility to transform nations from consumers of security to producers. The new NATO members have also proved committed to the alliance with Hungary’s strong contribution already in the Balkan Wars and Poland as one of the U.S. strongest supporters in the Iraq War Coalition. It was also an intention to avoid that Europe again would become a battleground in great-power
conflicts. The idea that allied countries will not wage was on each other as an instrument of relations also argue in benefit of NATO decision to expand.24

A more minimalist approach to NATO would argue that enlargement will weaken the alliance. One of the goals when expanding the alliance was to create greater stability on the boarders on NATO. However, one of the requirements for joining NATO is that there is internal stability in the state. Members who cannot provide guarantee for this are not likely to become members, and hence those who were accepted suffered from little instability. This was one of the reasons why the membership of Ukraine and Georgia was postponed. It might seem like this intention has worked against its purpose. In addition new countries joining NATO will be covered by article V, which means that the alliance has to ensure the security of these nations. It is also a matter of interest of what the alliance has to gain by adding these countries in contrast to the cost of providing sufficient security. Moreover, as long as NATO’s decisions are consensus based it could lead to inefficiency not just because there are more members but because some of these countries might not share the initial value which is at the core of NATO. One of the possible reasons NATO has proved so efficient as a multinational alliance is its ability to agree and act, because its member countries to a large degree is homogenous.25

Enlarging NATO in Europe is likely to have the same effect on Russia as a global NATO would have on China. Russia has an ambivalent relationship with NATO. Putin at one point sought NATO membership but was not interested in standing in line. Russia has clearly signaled that it opposes NATO enlargement and any other form of intervening from the west in Russia’s near abroad. The case with Georgia and Ukraine, show how strongly Russia can influence NATO. Germany’s strong opposition towards including Georgia and Ukraine can likely be explained by their dependence on Russian gas and by their unwillingness to upset the relationship with Russia. The large European NATO members are much more careful towards Russia than the U.S. To enlarge NATO further both the U.S. and the European NATO members must carefully consider what relationship it wants to have with Russia. With Putin as president again, it is unlikely that an enlargement will sit well with Russia and it will most likely lead to some sort of conflict. Antagonizing Russia could possibly lead to Russia developing a closer relationship with China which would have great consequences for the geopolitical power balance. Historian at Oxford University Niall Ferguson is warning the west against a strong Sino-Russian relationship. According to him the more China and Russia
establish that they have common interests, the more powerful SCO is going to be. If this block of countries decide to defy the rules of WTO he continues, then a “fundamental shift has occurred in the nature of our international order.” He further argues that global threat comes from geopolitics and that a strategic alliance between Russia and China is more a threat to the West than the financial crisis. Russia will in a multipolar future again play an important role in world politics. Dimitri Trenin argues however, that a Sino-Russian alliance against the U.S. can only occur if Washington does not think in long terms. The West and especially the U.S. needs to see Russia for what it is, a major outside player. Russia will not necessarily side with the east and China but neither will it automatically side with the west and the U.S. NATO should seek to strengthen its relationship with Russia through already established institutions and councils like the Partnership for Peace. The Russian economy is dependent on exports to Europe and investments especially from Germany. Germany also has a position that allows them to tie Russia closer to Europe and NATO, and thereby the U.S. It is unlikely that Russia will be a permanent ally to NATO, but a stronger relationship and mutual respect can reduce the likelihood of Russia’s outright opposition towards the alliance. Bringing Russia closer to NATO however, makes it unlikely to enlarge NATO further. Enlarging NATO without the consent of Russia is likely to drive Russia further away. NATO should instead of discussing enlargement, focus on their strength as a highly efficient alliance and increase the cooperation between the existing members. This would ease the relationship between Russia and NATO and bring more stability to the European continent. The future of international politics and the future of NATO however, will depend on how the U.S. approaches Russia.

5.6 U.S. – Russian Relationship in the Future.

The relationship between the U.S. and Russia has varied from friend, to competitor to adversary since the end of the Cold War. Bruce Jentleson argues that the question is which of these scenarios will prevail in the future. Russia will not be a friend of the U.S. with Putin as president unless the U.S. recognizes Russia as an independent global actor. The likelihood of a friendship is however increasing as U.S. powers is waning. As argued before there are a number of issues which the U.S. and Russia could cooperate on, but Putin will not accept being instructed on these issues. There has to be real cooperation. A worst case scenario is where the U.S. fails to recognize the importance of Russia and continues to involve in Russian internal matters. The West cannot force Russia to modernize and Vladimir Putin is highly sensitive to being lectured on democracy. In a geopolitical context security will be top priority and the West will have to let Moscow modernize in its own pace to not alienate Russia into
the hands of the Chinese where Putin feels treated more like an equal. Having Medvedev back as Prime Minister with more time to focus on domestic affairs might lead Russia in a more democratic direction, but transformation is not done overnight and the West must come to terms with this. The most likely outcome perhaps is a situation more like today where Russia is a geopolitical competitor but with strong cooperation on certain issues. It is unlikely that the U.S. will change attitude towards the Middle East and this will most likely continue to be a challenge. Keeping relations with Moscow good however is important to not strengthen a Sino-Russian alliance at odds with the West. Obama and Medvedev have shown that it is possible to reach compromises even on difficult matters, and a stronger relationship between NATO and Russia can contribute to a better relationship between the U.S. and Russia. Russia is unlikely to adapt into a western framework, and will continue to act as a geopolitical independent actor but has many interests in Europe and is also highly dependent on export of natural resources to the continent which the U.S. and NATO can use to their advantage in forming closer ties with Russia. This is also important because NATO will have difficulties in assisting the U.S. in Asia without the help of Russia as shown by the Afghan War. However, Russia also has security interests in Asia and will likely respond well if China becomes more aggressive. There is a mutual benefit of strengthening the ties between NATO and Russia, and a stronger NATO will benefit the U.S. in a multipolar world.

5.7 Conclusion

Russia continues to be a challenge for the U.S. and NATO and in a multipolar world Russia is likely to seek even greater influence. Russia can be a valuable partner in many issues and a stable relationship with Russia is necessary to keep stability on the European continent. This stability is even more important now, than it has been for the previous two decades because as new countries rise to power and there will be an increasing degree of rivalry in the world. The U.S. is therefore dependent on the European NATO members to ensure the stability of the European continent with less help from Washington. This will be very difficult if the relationship between Russia and the rest of Europe becomes more aggressive. NATO should therefore not seek to enlarge further, but strengthen the cooperation with European non-NATO members and especially Russia through already established structures such as the Partnership for Peace. A close cooperation with Russia would be beneficial for NATO should it in the future see the necessity of engaging more closely in Asia. Russia can also hold a key to regional stability in the near abroad of Europe. Even though the U.S. and Russia does not agree on policies in the Middle East, it is unlikely that Russia would not act if counties such
as Iran, for example should become more aggressive. This would not only be a threat to NATO members, but also to Russia and Moscow has the power to help keep stability on the boarders of NATO. Neither the U.S. not NATO benefits from a strained relationship with Russia but there are many unresolved issues and cooperation in the future is not a given.
Lundestad, The United States and Western Europe, 7-18.
3 Lundestad, The United States and Western Europe, 7-18.
4 Asle Toje, “Livet etter NATO,” Aftenposten Kultur &Meninger, 24 February 2012, 4-5.
7 Walter Laqueur, 153-160.
8 Geir Lundestad, The United States and Western Europe, 46-61.
9 Simes, 38.
10 Simes, 36-52.
Trenin, “Russia Leaves the West,” 87-96.
12 “Taking Control,” Putin, Russia and the West.
13 “Democracy Threatens,” Putin, Russia and the West.
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15 Trenin, “Russia Leaves the West,” 87-96.
16 Trenin, “Russia Leaves the West,” 87-96.
17 Tymoshenko, 69-82.
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“Democracy Threatens,” Putin, Russia and the West.
19 “War,” Putin, Russia and the West.
20 “Taking Control,” Putin, Russia and the West.
Trenin, “Russia Leaves the West,” 87-96.
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Walter Laqueur, 153-161.
27 Fraser, “Warning of a New Cold War.”
“Taking Control,” Putin, Russia and the West.
Chapter Six

Conclusion

6.1 To Be or Not to Be

The transatlantic relationship is dependent on a strong NATO, and a strong NATO is dependent on a good transatlantic relationship. There is little doubt that the Atlantic allies have struggled to unite their interests and find common goals since the end of the Cold War and that rising challenges of a multipolar world and a shift in focus from the U.S. towards the Asia-Pacific area could add further pressure to the relationship. However, the emergence of a multipolar world and with it the diffusion of power will most likely strengthen the transatlantic relationship. The foremost reason for this is that a multipolar world is likely to cause greater instability in international relations which will lead states to increase their focus on issues of defense and security. As the strongest state, the emergence of new states looking to increase their share of power will challenge the U.S. the most. In addition, a declining U.S. will not in the future have the capability to control and stabilize every region of the world on its own and alliances will therefore become increasingly important as a part of U.S. foreign policy strategy. The U.S. has a web of alliances across the world, but its strongest partners are and will continue to be located in Europe and the future challenges in international relations will strengthen the transatlantic relationship as well as NATO.

How relevant NATO will be in the future also depends on the alliance’s ability to adapt. The alliance has characteristics of all three types of alliances: collective defense, collective security and multilateral. After the end of the Cold War, NATO moved away from its initial purpose of being a collective defense alliance and became more like a multilateral alliance. This ability to adapt to the structural changes in the world will ensure that NATO continues to stay relevant in the future. The North Atlantic Alliance will have to refocus on issues of security and again embrace its role as a collective defense alliance to ensure the stability on the European continent and to recommit to the transatlantic relationship. By doing this, NATO will insure its continued relevance in a changing world.
6.2 Burden-sharing and Smart Defense

The issue of burden-sharing is becoming increasingly important with the decline of the U.S. and many of the European NATO members. NATO cannot continue to be a two-tiered alliance where the U.S. largely produces security and Europe mainly consumes it. The European NATO members are still dependent on the U.S. to guarantee for their security and with Washington’s shift in focus towards Asia the European allies have to take greater responsibility for their own security. The U.S. is still committed to protecting Europe but this shift in focus is likely to create an incentive for the other NATO countries to prioritize security and defense spending. This however, does not entirely solve the problem of burden-sharing issue since many of the European NATO members are also facing economic decline. NATO should therefore pursue the already initiated reform towards a smart defense.

A smart defense approach is a solid response from NATO on both the issue of decline and the new strategy from the U.S. The idea behind smart defense is that the member countries can build a stronger defense for less money by pooling and sharing resources. By doing this, the European NATO members can strengthen the defense capabilities of the alliance despite cuts in the individual members’ defense budgets. In the process of restructuring the resources of the alliance, NATO can also build specialized capabilities to improve its ability to execute military operations outside of NATO’s core area without the lead of the U.S. In this way NATO can take greater responsibility for the security not only in Europe but also regionally and enable the U.S. to focus on other areas of the world.

6.3 Out of Area

Whether or not NATO should operate out-of-area is not the questions; NATO has operated outside of its core area for many years. This debate is in all reality a matter of finding a balance between the responsibility of Article Five and the needs of the U.S. The European NATO members should be confident by the continued reassurance from their American partner that its commitment to Article Five stands firm. NATO must, to be of continued relevance for the U.S., be prepared to continue operating outside its core area. Furthermore, a multipolar world will bring with it a myriad of security challenge, which means that Europe is likely to face challenges originating outside the continent. It is therefore both in the interest of the U.S. and European NATO members that NATO pursues an active role. This does not mean however, that the NATO should pursue an active role all over the world.
There are several ways in which NATO can contribute to the foreign policy strategy of the U.S. that will be important. The alliance with the implementation of smart defense will ensure the stability of NATO’s core area with less involvement of the U.S. NATO should also engage more actively to ensure regional stability on the borders of NATO countries and on the borders of Europe. This will be the most important area for NATO to operate in and it will be important for the U.S. that NATO can build on the success in Libya and continue to lead operations with the support of the U.S. In the future, it might be necessary for NATO to participate in operations all over the world, also in the Asia-Pacific region but this is not the role NATO should primarily take.

NATO’s most important role towards the Asia-Pacific region in general and China in particular will be as a collective security organization. A strong NATO will contribute to the perceived strength of the U.S. and thereby work preventively in helping the U.S. in containing Chinese foreign policy ambitions. In a multipolar world, containing rising powers while at the same time avoiding a security dilemma will be important for the U.S. and its allies. As the example of China have shown there are many areas which could lead to a regional conflict between China and its neighbors, and as many of these border countries are allies of the U.S. a regional conflict may very well become global. It is important that NATO does not add to this pressure by engaging in military activity in the Asia-Pacific region, while at the same time acknowledge that increased tension between states is highly likely in a multipolar system. It is therefore close to impossible to avoid that China will feel threatened to some degree and making China aware that NATO is strong and has the capability to assist the U.S. if necessary, also in this region will contribute to contain China, much in the same way NATO worked against the Soviet Union during the Cold War. Arguably NATO was highly efficient during the Cold War precisely because it did not have to act and NATO should again seek to contribute in this way.

6.4 Enlargement
There are two reasons why NATO should not pursue further enlargement. First, the consequences it will have on NATO as an organization. Enlarging NATO was seen as a way of integrating more unstable states on the borders of the alliance in Europe and thereby increase the stability of these nations and also Europe as a whole but this has not been the case. As shown with Georgia and Ukraine, states that suffer from internal instability have been less desirable to integrate and membership has thus been postponed. In addition, many
of the countries seeking membership has no significant military capabilities and would add to the defense burden on NATO countering the argument that enlarging NATO would lead to a strengthening of NATO’s overall military capabilities. One of NATO’s foremost advantages is that it is an efficient organization and decisions are based on a consensus. To add more members to the organizations will increase the likelihood of inefficiency also taken into consideration that these new members might not share the common values and ideals that NATO was founded on. NATO members are already struggling with diverging interests and uniting the goals of current members should have priority on the agenda.

The alliances’ relationship with Russia, and the consequences enlargement might have on China is perhaps the second and most important reason why NATO should not pursue further enlargement. Russia’s outright opposition to NATO enlargement is well known and continuing to enlarge NATO especially eastward in Europe is likely to add further strains on the relationship between Russia and the West. NATO could benefit from closer cooperation with Russia on a range of issues, and Russia also enabled NATO to perform its operation in Afghanistan making Russia important for future potential military operations in Asia, especially Central Asia. While it is unlikely and perhaps not even an advantage to be in a permanent alliance with Russia; closer cooperation through forums such as the Partnership for Peace will help maintain stability on the European continent and the relationship between Russia and the West and consequently between NATO and Russia is therefore very important.

Regarding China, an enlargement including countries such as Japan and Australia would likely trigger the aforementioned security dilemma. While NATO should be prepared for the challenges that come with a multipolar world, it should not contribute to trigger an already existing danger of a security dilemma, neither through out of area operations nor enlargement on a global scale. NATO already has a web of forums in which it has contact with strategic countries like Australia and Japan, and can if necessary cooperate with them through U.S. leadership and should therefore not engage in global enlargement. Both the importance of a good relationship with Russia, and the risk of triggering a security dilemma with China are reasons to build on already existing forums and not actively provoke these emerging powers.

A multipolar world holds many challenges, also for NATO. But as this thesis has shown the transatlantic relationship is likely to be strengthened and so will NATO. It depends however, on the European NATO members’ ability to take greater responsibility for their own
security as well as the security of Europe. NATO has shown an ability to adapt in the past, and with the structural changes that are happening in international relations the North Atlantic allies have a unique possibility to do so again uniting the interests of its members and working towards a common goal: to ensure each other’s security and the stability of the world.
Appendix

List of Abbreviations

ANZUS: The Australia, New Zealand, U.S. Security Treaty

BRIC: Term for Brazil, Russia, India and China

DEFCON: Defense Condition

EU: European Union

GDP: Gross Domestic Product

GNP: Gross National Product

IAEA: International Atomic Energy Agency

IMF: International Monetary Fund

MNNA: Major Non-NATO Ally

NATO: North Atlantic Treaty Organization

NGO: Non-Government Organization

PPP: Power Purchase Parity

SCO: Shanghai Cooperation Organization

SEATO: Southeast Asia Treaty Organization

START: Strategic Arms Reduction Treaty

WMD: Weapons of Mass Destruction

WTO: World Trade Organization
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