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THE CHALLENGES OF AMERICAN FOREIGN POLICY

Thank you for the opportunity to speak this morning. This is a very timely moment to discuss the core challenges facing the United States as we move toward an election year in which foreign policy and national security promise to play central roles in the choices facing American voters. In modern history, only a few Presidential elections have focused on national security issues – in 1968 and 1972, at the height of the Vietnam War, and in 1952, in the middle of the Korean War. Unlike those earlier elections, the focus this time will not be primarily on Asia, but rather on the Middle East and the US approach to its global role and responsibilities. Although the election debate is unlikely to focus directly on the issues which are paramount to the mind of this audience, they will have broad ramifications for US grand strategy for years to come, and therefore will have an important impact on India, on our bilateral relationship, and throughout Asia.

The importance of this election in shaping US national security is not simply a function of the intensity of the debate over the future of the United States role in Iraq. Rather, it comes from a convergence of factors, both domestic and international, that promise to make this election a watershed. On the political front, this is the first election since 1952 in which neither an incumbent President nor Vice President will be on the ballot. That means that for both major political parties, there will be an intense internal political debate during the primary season, as well as the more typical contest in the general election. The "wide-open" character of the election is further enhanced by the very low popularity of the incumbent administration, arguably the lowest in modern American Presidency.

The significance of this election is enhanced by three other factors. First, this election will be a moment of reflection and debate on the strategy pursued by the Bush administration following the 9/11 attacks – a strategy sometimes called the "Bush doctrine." Although the reality is of course more complex and nuanced, the hallmarks of this strategy are three-fold: first, an intense focus on combating so-called Islamic terrorism as the organizing principle of US national security; second, a willingness to act unilaterally, and with preventive military force, to address the perceived threat; and third, a transformative approach to democracy promotion, which goes beyond hortatory support

to the use of all tools of American power, including the military, to support the spread of democracy, especially in the Middle East.

This strategy is a far cry from the policies pursued by the Bush “41” administration and the Clinton administration, although the Clinton administration was certainly more focused on democracy promotion than its predecessor. Recall the initial Clinton National Security Strategy was called a strategy of “engagement and enlargement” – enlargement referring to the spread of democracy.

Second, the election comes against the backdrop of a precipitous decline in the United States global standing and prestige, not just in the Middle East and Islamic world but even among many of America’s traditional allies. As the election unfolds, the whole world truly will be watching to see whether the United States is prepared to remain engaged in the world, notwithstanding the setbacks in Iraq, and how the United States intends to shape its relationships with its allies and the wider-international community going forward.

Finally, four years of war have stretched our military to the breaking point, forcing US policymakers to confront some basic choices about priorities and capabilities that will affect our strategy for years to come. This will be further complicated by a budget crunch exacerbated by deficits, high military and non-military costs of Iraq and the need to reset the force, while attending to key social policy needs, especially health care.

As the debate and discussion unfolds, four key questions are likely to come to the forefront. The answers to these questions will shape America’s strategy for years to come. I want to begin by outlining the choices facing the United States, and then explore their implications for India, for Asia and for our bilateral relationship.

You may be surprised to hear that, in my opinion, one of these four key questions is not what to do about Iraq. Despite the fierce debate in the United States, the range of real options is quite limited. Today, our military forces, particularly Army and Marine personnel, are seriously overstretched, and the public is deeply disenchanted with the goals of the war, not to mention its achievements. This means that all but a handful of the most ardent supporters accept the reality that large-scale deployment of forces will end over the next year or so, no matter who becomes President. This is apparent from President Bush’s own discussion of troop withdrawals this past week. And for the most passionate believers in the need to get out of Iraq, extricating US forces safely without a calamitous shock in Iraq and throughout the region means that the actual withdrawal will be gradual, even if there is a quicker transition of US forces away from counter-insurgency towards training and counter-terrorism.

What are the big questions?

The first is to what extent should US strategy continue to give pride of place to combating terrorism associated with Islamic radicals? And if not counter-terrorism, what alternative organizing principle should the United States adopt? Recent polls in the

United States continue to demonstrate that for the American public, terrorism is the over-riding threat. But in policy circles, there is beginning to be a broader debate about whether this is the appropriate organizing principle behind our security policy.

Let me say a word about what I mean by organizing principle. During the Cold War, containing Communism was an organizing principle. That meant that we saw virtually every aspect of our foreign policy through that lens. We built a military and a nuclear strategy around containing the Soviet Union. We built unprecedented alliance relationships – both multilateral, such as NATO, and bilateral, as in East Asia – around that strategy. We gave assistance to those who sided with us against the Communists, even if they did not share our values or system of government. We built international political and economic institutions designed to bolster us for that Long War. This approach obviously deeply colored our relationship with India for forty years.

The same can be seen in the so -called "global war on terrorism" (GWOT), where virtually everything else has been subordinated to that goal. Friends are judged by whether they are cooperating with us on terrorism, even if they are a flawed democracy – Pakistan, Egypt – or non-democracy, and here I would include China as well as, at least until recently, Russia and the countries of Central Asia.

Elections are encouraged unless they result in governments seen as friendly to the terrorists – for example, Hamas. Engagement with other key areas of the world beyond the Middle East is either limited – Latin America – or with a heavy counter-terrorism overlay – as in the case with Southeast Asia. For India, there have been some positive dimensions to this focus both because it has made Americans more sensitive to the threats you face and because it has enhanced the value of our cooperation in the post-Cold War world.

The critics of this approach – and I count myself as one – focus on four arguments. First, they argue that while vital, counter-terrorism is a tactical problem of defeating a small group of violent anti-Americans (or anti-Indians, for that matter) and making clear to states that there is a price for their support of terrorists. It is not, however, a long-term strategic problem. By elevating counter-terrorism to a strategic problem the United States unintentionally tends to validate the argument of the terrorists that this is an ideological war, or a clash of civilizations. Second, critics contend that the formula "global war on terrorism" (GWOT) leads to over-emphasis on the military dimension of counter-terrorism. Third, they point to the irony that the focus on counter-terrorism has led to a serious erosion of US commitment to the rule of law and civil liberties at home, thus undercutting the very argument advances in favor of the war – the preservation of our way of life and governance. Finally, and perhaps most important for this audience, they suggest that this strategy has caused us seriously to ignore or underplay other important challenges.

Given the strong visceral American reaction to 9/11, it is unlikely that any candidate will explicitly downplay terrorism as part of US national security strategy. And of course, the terrorists do pose a serious threat. But we are beginning to see Democrats more or less

explicitly distance themselves from this approach – see for example, John Edwards article in the current issue of Foreign Affairs.[1] The challenge for critics of the current approach is to come up with a concept which shares the simplified appeal of containment or the GWOT.

The second big question is how should the United States relate to international institutions and international law? The role of international law and international institutions has been fiercely debated in the United States – arguably back to the Declaration of Independence when our founders felt it necessary to set forth the legal basis for their separation from Great Britain. Support for a strong commitment to international law has swung from the highs of President Wilson's Fourteen Point Speech, the Versailles Conference during the First World War, and America's instrumental role in creating the UN and General Agreement on Tariffs and Trade/World Trade Organization (GATT/WTO) following the Second World War, to the lows of the defeat of the League of Nations and the United States decision to intervene in Iraq without UN support, and to the rejection of the application of the Geneva Conventions to so-called "enemy combatants."

For the current administration, and for many Republican candidates, the existential struggle against what they call "Islamo-fascists" justifies subordinating the niceties of international law to the tactics necessary for survival. For some of them, this is part of a broader view, which challenges the very idea of an international community and which insists that the only legitimate constraints on the actions of the US President reside in the US Constitution.

In the coming election, we are likely to see a great debate between those who broadly support the current posture and those who believe that it is in the United States interest to take into account the judgment of others even when it constrains the United States, for both principled and practical reasons. Principled, because as a nation committed to the rule of law, it is inconsistent to reject the force of law when it fails to suit our convenience. Practical, because our exceptionalism earns the mistrust of others, making it harder for us to gain their support and cooperation in a world where none of the big challenges can be met by one country, even a superpower, acting alone.

Public opinion polling strongly suggests that the American people accept the desirability of subordinating US power to broader principles. And even among some Republicans, such as Senator John McCain, US unwillingness to accept broadly accepted international constraints, such as the ban on torture, is damaging to our national security. But in practice there are wide divergences on this issue, with a strong tinge of American exceptionalism very much alive in the body politic.

The third big question is what international economic strategy the United States will pursue. The United States has been the global champion for free trade ever since FDR and Secretary of State Cordell Hull rejected the catastrophic protectionism of the early

[1] See Edwards, John. "Reengaging With the World: A Return to Moral Leadership." *Foreign Affairs*, September/October 2007.

1930s and paved the way for the GATT and WTO. But free trade has always been controversial in the United States, and conflicts with economic competitors, such as Japan in the 1980s and 1990s, have stoked protectionist impulses. Now there are voices in both parties that view the economic rise of China (and to a lesser extent, India) with alarm, and fret about outsourcing and undermining of labor and environmental standards. Nor is the protectionist impulse limited to trade. Anxieties about attempted Chinese acquisitions of American companies – from Unocal to IBM to Maytag – have raised doubts about American commitment to a global investment regime. Although some of these objections have national security overlays, they are reminiscent of the debate over Japanese acquisitions of high profile US assets, like Rockefeller Center, in the 1980s. And this debate has spilled over into immigration policy as well.

Trade has been a particularly thorny issue for Democrats. Nearly fifteen years ago, President Clinton opened a rift in his party with his support for NAFTA. Today, the ranks of "free trade" Democrats are even further reduced. On the Republican side, national security concerns have also dampened ardor for some aspects of free trade, and regional concerns ranging from agriculture to manufactures to textiles have also cut into support. Major bilateral agreements, including the Korea-US free trade agreement, languish in the Congress, and at least for the present, there is limited support for extending multilateral so-called "fast-track" negotiating authority to the President.

The fourth and final big question is how should the United States respond to emerging new powers? With the end of the bipolar world, some in the United States advocated a policy of primacy – a strategy to make sure that no peer competitors would arise. This was an explicit goal of the Bush administration's 2002 National Security Strategy. This view is fueled by a belief that international affairs are a zero-sum competition in which rising powers inevitably threaten established ones. From this perspective, the rise of China is seen as the most significant potential long-term threat to US security, a concern exacerbated by China's authoritarian political system, military modernization and lack of transparency. It's interesting to note that few Americans see India's growing economic and political strength in these terms, in part because India is a democracy (though the political theory of zero-sum power competition is hard put to explain the difference between India and China). Others argue that with the spread of globalization and interdependence, the global system is no longer a zero-sum competition, but rather one characterized by mutual interdependence that requires enhanced cooperation of all states, and which welcomes new capable actors as potential partners, rather than rivals.
For advocates of this approach, conflict is not inevitable, though cooperation is not guaranteed.

I think it is fairly obvious that the outcome of each of these debates will have profound implications for India. Let me take each in turn.

The first question is whether the United States will continue to make counter-terrorism the centerpiece or organizing principle of US national security policy. For India, unlike many of the United States traditional allies, terrorism is a real and immediate pre-

occupation given your location and both internal and political challenges. Counter-terrorism has certainly brought the United States and India closer together.

Yet there are costs for India if the United States should continue to pursue this strategic orientation. India, as a multi-civilizational society, has much to lose if the United States acts – or is seen to act – in a way that seems to validate the international environment as a clash of civilizations. This single minded pre-occupation has led many countries to distance themselves from the United States, making us a less valuable partner for India going forward. And perhaps most important of all, focusing on terrorism as the over-riding global challenge has narrowed US policymakers to an almost exclusive pre-occupation with the Middle East at the expense of Asia and other critical regions and makes it harder for the United States to play an active role in addressing the full range of global challenges, from North Korea's nuclear program to China's military modernization, as well as new challenges, such as climate change, energy security and global public health.

To say that a shift away from a counter-terrorism preoccupation is potentially of great benefit to India does not answer the question of what should take its place. For understandable reasons, some in the US might argue that non-proliferation or dealing with China should become the central challenge. But this too should be – and I suspect is – a matter of concern for our Indian friends. I'll talk about this shortly when I come to the challenge of emerging powers. I would argue that a more multi-faceted US strategy that includes both regional geopolitical, economic and transnational challenges is likely to best serve both America's and India's interest. But whether that can be sustained in the American public, which continues to yearn for the simplicity of a bumper sticker and a well-defined enemy remains to be seen.

The second challenge I identified was the role of international law and international institutions. This is closely related to the first, in part because some in the United States, including colleagues such as Dean Anne-Marie Slaughter and John Ikenberry of Princeton, have argued that building liberal international institutions and the rule of law should be the organizing principles of US foreign policy.[2]

A greater attachment of the United States to the rule of law and stronger international institutions could have important benefits for India. First, such an approach might make it easier for America's friends to support US global policies. Even among staunch allies, such as Australia and Japan, anxieties about US exceptionalism have made it hard for leaders to sustain domestic support for pro-US policies. The fierce debates in South Korea are vivid example of the problem. Second, for democracies such as India, greater attention to international law and international institutions can help address some of the great challenges of the region, from dealing with the lawlessness of North Korea, to meeting global challenges like non-proliferation, global public health and climate change.

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[2] See Ikenberry, G. John, and Anne-Marie Slaughter, Co-Directors. "Forging a World of Liberty Under Law: U.S. National Security in the 21st Century." *The Princeton Project Papers*, September 27, 2006.

It would also prove a more effective means to gain global support for counter-terrorism efforts, which is so important to both India and the United States

From an Indian perspective, a renewed emphasis on international law and international institutions should be welcome, but in the context of reform of these institutions in ways that would recognize India's growing importance in the global system. For this reason, reform of the Security Council and the G-8 needs to be high on the US agenda as well.

On the economic front, the spread of global trade and investment has clearly benefited this region, which for several decades has been the most dynamic area of growth in the world. Some in East Asia, including in Taiwan and Japan, have come to question the value of further spread of free trade and investment, fearing that economic powerhouses like China and India, and other low wage, low social safety states might achieve overwhelming economic advantage. As I noted before, economic protectionist sentiments are also on the rise in the US, with a particular focus on China and to some degree, India.

India has a great deal to lose in the long run if the United States beats a retreat on trade. Access to our markets and to our investments is critical to India's long-term economic growth. To sustain the fragile support for this approach in the United States, India needs to work more actively to overcome its parochial interests in favor of the broader global trade and investment regime, particularly through the Doha round.

Finally, and perhaps most importantly for India and for Asia, is the outcome of the US debate on strategies toward rising powers. This is important because the growth of China and India are clearly transforming every aspect of this region, and with change comes anxiety.

Let me begin with the easy part, particularly for this audience. I think we can all agree that an enhanced role for India in Asia and globally is both inevitable and desirable. As a growing economic power that is increasingly embracing market oriented policies, and a stable democracy, India has much to contribute to the prosperity and stability in the region and the wider world. India is deepening its ties with countries throughout Asia, as the visit of Prime Minister Abe to India so vividly attests. Although some in the US and elsewhere may be excessively optimistic about the prospects of a strategic alignment between the US and India, there can be little doubt that India's growing regional and global role can be a force for good.

China, of course, has been, is and will be a more contentious issue – both for you and for us. In virtually every election in the United States since the late 1940's, US policy toward China has featured as a more or less prominent issue of debate. Typically this has taken the form of Presidential challengers attacking incumbents for being "too soft" on China. Yet for all the "sturm und drang," our policies have remained relatively consistent, particularly since the early 1970s.

I think we can all agree that the first best outcome is a prosperous, democratic and peaceful China, along with a prosperous, already democratic India, taking their place as

constructive members of the regional and global communities is the best long result for the region and the world. That's the easy part. The tougher question is how best to assure that outcome, and at the same time safeguard ourselves against the real possibility that the outcome does not come to pass.

I want to suggest to you that there must be twin pillars to our strategy. First, it is incumbent on all of us to make clear that we would in fact welcome this best outcome we all desire. It is, and will be, tempting to many to focus on the dangers that a growing, more active China can present to the region and to build a strategy to contain China – a strategy that would include trying to enlist key partners, like India, as a part of that more or less explicit alliance to balance China. But the surest way to bring about a more dangerous, confrontational environment in the region is to start from the assumption that conflict is inevitable, and therefore we must prepare for it as inevitable. Together, we should be prepared to sketch out a future for the emerging nations that shows that positive developments will be met with enthusiasm by us all.

But we must also have a second pillar if, despite our best efforts, things do not develop as we would hope. Some have called this hedging, but I don't much care for the term, since it conveys a sense of lack of confidence for a better result. I prefer to call it readiness – being alert to both good and bad developments, and retaining the capacity to respond to adverse ones when and as needed. We need to make clear to China in particular that there are steps that China could take that will be reassuring, and steps that China could take that could cause anxiety – and that our reactions will be governed by the choices China itself makes either to reassure or unsettle. In a recent article, my colleagues and friends Bill Perry and Ash Carter sketched out one such attempt at distinguishing between the natural and acceptable growth of Chinese power and influence, and those actions, which if they occurred, would signal an unacceptable escalation of threat that required a counter-response.[3] Their article focused on military modernization and strategy, but it is possible to develop a similar list of acceptable and worrisome actions in the political and economic sphere which could provide a road map for developing a long-term strategy of adjustment to China's rise: one that would both open the path for cooperation while protecting the United States and our friends from complacency.

I think Indian colleagues understand the need for this two pronged approach well, and their active engagement with US policymakers can help us avoid the danger of falling into the danger of self-fulfilling bad result.

On each of these four core challenges, the outcome of the US debate is uncertain. Nor will foreign policy factors be the only ones that determine the outcome of our election. But the one certainty I leave you with is that we face what my colleague Dean Elspeth Rostow calls a "nodal moment" in US foreign policy that will have profound consequences for years to come.

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[3] See Carter, Ashton B., and William J. Perry. "China on the March." *The National Interest*, March/April 2007, issue 88, pp. 16-22.