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Why American Leadership Still Matters

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Report of the American Internationalism Project

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Executive Summary

A strong, bipartisan commitment to global leadership has informed America’s foreign policy since we emerged from World War II. Today, however, the global architecture the United States has conceived, built, and maintained is in jeopardy. No one nation rivals the US on paper. But through both traditional and nontraditional means, nation-states and nonstate actors alike are presenting new challenges to international security that, if not addressed, will threaten the security, prosperity, and freedom of the United States and its allies.

At the same time, some Americans are questioning both our capacity to lead on the world stage and the wisdom of doing so. US engagement abroad, at its core, has always been about helping the American people, protecting US interests, and advancing US values. But ongoing wars in Afghanistan and Iraq, coupled with an uneven economic recovery, have led some at home to reassess the costs, effectiveness, and benefits of American global leadership.

In light of both the growing external challenges to, and the internal skepticism of, American global leadership, we set out in 2014 to determine whether the benefits of robust internationalism still outweigh the costs. We incorporated a diverse range of people from different parties, ideologies, and generations to develop a new consensus on America’s role in the world.

This report reflects the fundamental consensus of our project’s members that American global leadership is just as crucial to the security, prosperity, and freedom of the American people today as it was 70 years ago. US foreign policies must adapt to keep pace with the twisting dynamics of an ever-changing world but should be rooted in and united by a continued commitment to vigorous international engagement.

The security of the United States and its people is our first responsibility and serves as the raison d’être for active US engagement abroad. Although different circumstances require different approaches, active global military leadership is always a prerequisite to success. In the security realm, not only does US engagement—including the forward deployment of US troops—deter aggression, but in the event of conflict, it also enables the US to meet threats far from its shores quickly and in time to prevent losses that would be costly to regain. America’s allies across the globe also help identify and address challenges at their root, provide crucial support during periods of conflict, and contribute to the general stability of the international system. Committed, democratic partners allow the US to achieve its security goals for mutual benefit; the building of such partnerships should be a priority, therefore, of US foreign policy.

US engagement abroad, however, constitutes far more than just military action. Military force is but one tool of international engagement and should never be the first option. Too often, we tend to overlook America’s crucial hand in waging peace, dampening rivalries, and helping to resolve conflict. We similarly tend to underappreciate the importance of some of the bedrock tools of international engagement including American diplomacy, foreign assistance, economic assistance, people-to-people programs, and public-private partnerships. These tools all help to ensure that military force remains an option of last resort.

The vibrant international economic system represents one such historic, yet often overlooked, achievement that strong US global leadership has made possible. Recognizing the growing link between the American domestic economy and foreign markets, US policymakers saw an opportunity after World War II to increase the welfare of those at home and abroad through the formalization of a rules-based, nondiscriminatory international economic system. America led the
effort to establish key economic institutions like the International Monetary Fund and the organizations that would evolve into the World Bank and the World Trade Organization. In doing so, we helped create a global economic order that has enabled many hundreds of millions—in the US and abroad—to climb the ladder of opportunity.

Undeniably, some countries now seek to exploit this open and increasingly integrated economic system. Forced localization policies, intellectual property theft, and economic and cyber espionage are but a few examples of foreign activities that undermine US competitiveness. Alternative economic models in which growth is not predicated on economic liberalization are gaining traction in places like Africa. Only dynamic US leadership in the international economic realm can ensure that the global trading system remains an uncorrupted and accessible engine of wealth for the people of the United States and the rest of the world.

The disparate aspects of American global leadership are, in fact, intimately connected and often mutually reinforcing. The genius of America’s approach is that, no matter how one rearranges the pillars of American global leadership, the end result is positive.

What would the world look like without American global leadership? It is difficult to say, partly because we take so many of its benefits for granted and its dividends are dispersed. But global politics abhors a vacuum, and American retrenchment is sure to create one. There is simply no guarantee that whoever might fill our space would have the capacity, the inclination, or will to keep the world safe, markets open, and people free. If anything, an increasingly brazen China, revisionist Russia, volatile North Korea, and ruthless Islamic State collectively underscore the need for more, not less, American leadership abroad.

We believe that the ideas contained in the pages that follow offer a coherent, digestible and refreshing way to think and talk about American global leadership in the modern era. We must not wait for events to remake the case for American global leadership. We must make that case ourselves today.
Preface

In the winter of 2012, the two of us were coming to the end of our years of service in the United States Senate. We had often worked together across party lines on foreign policy and national security. One day that winter, we sat down to reflect on our shared apprehension about the rise of isolationism in our major political parties and among the American people. We agreed that history teaches that previous periods of American isolationism had cost us dearly. Perhaps when we were out of elective office we could find a way to confront the new isolationism and challenge the drift away from engagement in the world.

Enter Danielle Pletka, senior vice president of foreign and defense policy studies at the American Enterprise Institute (AEI), with a proposal that we lead a project to find better ways to make the case for America’s international leadership and, particularly, to convince war-weary, recession-wracked skeptics why America’s engagement in the world is best for the American people—for our security, our prosperity, and our freedom.

We enthusiastically agreed to take on this mission and set two requirements for what has come to be called the American Internationalism Project (AIP) at AEI. First, the members of the AIP must be politically and ideologically diverse, with only one requirement: that they support strong American leadership in the world. As you will see from the list of people who have participated in the AIP on the Steering Committee and our three working groups, we were able to achieve that goal beyond our hopes and far beyond the norms and expectations of our divided politics today. In fact, one of the most significant accomplishments of the AIP may be the consensus reached by such a diverse group.

Second, we did not want the AIP simply to end with a report announced at a press conference in Washington and then consigned to gather dust on think-tank bookshelves. That is now our challenge. The work we have done, the consensus we have reached, and the report we have written are just the beginning of our mission. Now, we are determined to stay together and find creative ways to inform and motivate opinion leaders and the American people.

As a first step, we ask you to read what follows and tell us what you think about it. Together we can build a broad popular constituency and a diverse group of leaders who will advocate for America’s leadership of the world during this still-young 21st century.

Jon Kyl
Joseph Lieberman
Introduction

Must America be proactively engaged around the world to protect its people's security, prosperity, and freedom? Since the beginning of World War II, the general consensus has been that the answer is yes, though from time to time, public opinion and American policy have been less hospitable to that consensus.

Curious as to whether America's interests and ideals would suffer if its engagement with the rest of the world decreased, we set out almost two years ago to determine whether and how international engagement improves the lives of all Americans. Under the auspices of the American Enterprise Institute (AEI), the American Internationalism Project (AIP) gathered together a diverse group of policy leaders to determine if the traditional consensus still holds and to address the arguments of those who want America to pull back from the world.

The project's membership is intentionally diverse, including individuals from both political parties and with a wide range of ideological outlooks. Our goal was not to rationalize particular policies, whether military, political, or economic. Rather, we began with simple inquiries about the basic needs and values of our citizens and how those needs and values were affected by America's posture in the world. United by the question of what approach is best for the American people, we quickly arrived at a consensus that, in today's world, America's interests continue to be best secured when it maintains an active and engaged foreign policy.

Not long after we began our project in 2013, the Pew Foundation reported that a majority of Americans wanted the United States to "mind its own business internationally," the highest number responding this way since the survey began 50 years ago.1 This shift in public opinion expressed an inward turn by people who wondered why it is our responsibility to be "the world's policeman" and was a response to appeals by some political leaders and commentators to "focus on nation-building here at home."2

Elected officials in both the Republican and Democratic political parties seized on this shift in opinion to call for reductions in the defense and diplomatic budgets, an end to trade deals and democracy promotion, and a reevaluation of America's postwar role as guarantor of international security. That was in 2013. As our conversations have continued over the following two years, world events have highlighted just how much is at stake when America pulls back.

In Europe, Russian President Vladimir Putin illegally annexed the Crimean peninsula while conducting an undeclared war in eastern Ukraine and challenging NATO's air defense systems. In East Asia, the Chinese collective dictatorship is flexing its muscles by building an advanced, modern navy; attempting to solidify its expansive claims over international waters by building artificial islands with bases on them; and otherwise engaging in territorial disputes with Japan, Vietnam, and the Philippines; conducting cyberattacks against Western governments and businesses; and protecting the nuclear-armed dictator of North Korea.

In the Middle East, the ongoing Syrian civil war has taken a devastating toll in lives and refugees and provided space for the terrorist army of the Islamic State in Iraq and Syria (ISIS) to invade Iraq; conquer key cities such as Ramadi, Fallujah, and Mosul; and threaten Baghdad. This terrorist safe haven in Mesopotamia has become a training academy for foreign jihadists, who already are turning their attention back to the West. Regardless of one's opinion about the recent nuclear agreement, few doubt that Iran's theocratic state will continue to threaten stability and American interests throughout the Middle East or that deep American engagement will be necessary to monitor the agreement. In Afghanistan, the Taliban is preparing to
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retake lost territory after an American withdrawal. And in Africa, tens of thousands have been displaced and thousands have been killed as Boko Haram attempts to impose its version of Sharia across swaths of Nigeria.

As our discussions went on, we concluded that American engagement alone is not sufficient to protect the security, prosperity, and freedom of the American people. To achieve those goals, America must lead. We believe that proactive, persistent, and powerful US leadership best serves the interests of the American people and that this is true in the three spheres of interest: national security, economic prosperity, and freedom promotion.

Leadership does not have to mean going it alone. When many Americans read the newspaper and ponder the state of world affairs, they wonder: Are these problems our problems? Will they always be? Are they our problems alone? Surely others are equally, and even more directly, affected by turmoil abroad.

These are sensible questions, but the old ways of addressing them have gone stale. Those who support a robust American foreign policy have too often fallen back on axioms wrought by leaders of the past. If a case is to be made for American leadership, that case must be relevant and convincing to Americans today.

The chapters that follow reflect the consensus of our three working groups, each composed of Democrats, Republicans, and independents and of conservatives, liberals, and moderates. Their findings reflect a broad consensus about the significance of US leadership across the realms of international security, economics, and freedom and make the case for why that leadership is still crucial to the American people.

Though each of our working groups focused primarily on one aspect of national interest, they all concluded that American leadership exists not as three independent strands but as an interdependent whole. A strong defense, for example, is not the full answer to questions about America’s place in the world. But without it, our continued prosperity and freedom cannot be assured. It is unlikely that any country other than the US could lead in each of the three realms and even less likely that it could lead across all three to the benefit of so many. America’s leadership is unique and proffers distinct and irreproducible benefits for both Americans and the rest of the world.

Consider the impact of American global leadership and engagement on economic prosperity here at home. The benefits—such as stores packed with low-cost, foreign-made goods, low interest rates for automobile and housing loans, ease of international trade and travel, and so much more—are significant. Free trade lowers the price of goods at the shopping mall; opens foreign nations to American businesses, products, and services; and admits the United States to the global supply chain that brings new products, new jobs, and additional economic growth to our shores. A recent study by the University of Pennsylvania on the impact of the North American Free Trade Agreement, for example, found that the agreement made American companies more profitable and more competitive. Although some manufacturing jobs were relocated to Mexico, many more would have been relocated to China had the agreement not been signed.3

Free trade agreements also provide America with opportunities to promote democratic and free market values around the world in a way that also benefits Americans. Labor standards, for instance, were improved as part of the trade agreement with Colombia. This is a boon to the American consumer and worker. Trade, after all, gives us markets, goods, services, and jobs.

World War II is ancient history to many Americans, who take for granted that we can sell Fords abroad and buy Toyotas and Volkswagens at home. American engagement with the world after World War II not only has fostered trade among past enemies, it has also facilitated the creation of many jobs at home as foreign manufacturers increasingly recognize the value of producing here, where they sell.4 Japan and Germany, the third- and fourth-largest economies in the world, are just two examples of adversaries turned into diplomatic

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and military allies and economic trading partners through American military strength, democracy promotion, and economic investment.

South Korea provides another compelling example. Adjusted for inflation, American aid in the years after the Korean War totaled some $35 billion. A half-century ago, when the first aid arrived, South Korea was an impoverished military dictatorship. Today, the US exports more than $38 billion in goods to South Korea each year. We have earned back our initial investment many times over. American commercial, diplomatic, and military relationships contributed to South Korea's eventually becoming the successful democracy and ally that it is today, one that helps shoulder security burdens in its part of the world.

America’s flourishing nonprofit sector works with governments and international organizations to improve public health, sanitation, infrastructure, and human rights. The day-to-day business of American engagement has helped quintuple the number of democracies in Africa, substantially reduce and treat cases of HIV/AIDS, cut African child mortality by nearly one-third, and reduce polio from 125 countries in 1988 to just 3 today.

“The big picture,” says Bruce Aylward, assistant director-general for polio, emergencies, and country collaboration at the World Health Organization, is that “it could never have been done without the United States.”

Whether the risks flow from the AIDS pandemic, the former prevalence of polio, or the recent Ebola outbreak in an increasingly interconnected world, these efforts obviously benefit Americans, too. The first duty of any government is to protect the sovereignty, life, and property of its citizens. By helping others develop free, healthy, and prosperous societies, America has enhanced its own prosperity and security. For the 70 years since the conclusion of World War II, America has pursued this objective through a strategy of forward deployment. American pilots, sailors, and soldiers have secured the global commons of air, sea, and space. They have prevented the domination of the most important regions of the world by a single hostile or hegemonic power.

This outcome is no small accomplishment. The strategy of forward deployment deters aggression, spurs development, and enables US forces to respond quickly to natural disasters and national security crises alike. The fruits of this strategy are so numerous, so much a part of the world we experience on a daily basis that we take them for granted. The most obvious benefit of global leadership and forward deployment is that America can meet an enemy on its ground rather than ours.

American internationalism can surely be credited with the fall of the Soviet Union and global communism. The post-Soviet world is freer, more democratic, and far wealthier than the world of 1945 or of 1991. This did not happen overnight: America influenced and helped shape the rules of international commerce over many decades, and those rules were and are underpinned by economic institutions conceived in America and defended by the US military. Guided by our founding values of freedom and equal economic opportunity, America’s prestige, clout, and diplomacy enabled us to favorably influence the development of international norms in ways that were also advantageous to our national security interests. The fall of the Soviet Union allowed us to expand this approach to parts of the globe that had never before known freedom.

And all of these achievements have been affordable. The money that our government spends on the military is a small percentage of the US economy. It is impossible to quantify the treasure and blood that were saved or the wars and crises that did not occur because of the investments we have made in global engagement, preparedness, and leadership. In recent years, too, many have lost their understanding of deterrence and have come to see our military merely as a tool of battle rather than a deterrent to it. That understanding must change.

Long-term US engagement with Colombia has had many ups and downs over the last several decades. But today Colombia is enjoying unprecedented stability.
and has reached a comprehensive disarmament agreement with its most dangerous rebel army (the FARC). This progress is due mostly to the Colombian people. But Colombians also credit the United States for its crucial governance assistance, its pressure to improve human rights and reduce law enforcement brutality, and its human and financial investment in Colombia through a multiyear US assistance program (“Plan Colombia”). The decrease in violence, increase in the rule of law and the end of the FARC insurgency all seemed unimaginable a decade ago. Not only Colombians benefited from this progress; Americans have gained, too. In 2000, US exports to Colombia totaled about $3.6 billion. In 2014, not only was there a bilateral free trade agreement in place, but those exports also totaled $20.1 billion.

America’s experiences with Japan, Germany, South Korea, and Colombia suggest a theory and a strategy: stability is the precondition of commerce and culture. Though the fruits of our efforts may not have been apparent at the outset, America’s leadership in stabilizing the international order has benefited our people and people throughout the world. “Without America,” writes economist Tim Kane, “world economic output would not have grown from $5.1 trillion to $70.2 trillion in 70 years . . . and child mortality would not have been cut by two-thirds.” Without America, in other words, who would have stepped up to help create the conditions for such enormous economic growth and human development?

Indeed, without America, in good times and bad, our world of Internet commerce, “sharing economies,” GPS systems, mobile devices, flat-screen TVs, studies abroad, low-cost travel, and access to fresh fruit at any time of the year would not exist. These everyday facts should make real our understanding of the benefits of American internationalism.

Throughout the course of our project, as we have said, ongoing international developments have convinced us that disengagement is not a realistic option if we are to protect our citizens and our national interests. The rise of ISIS, increased Russian assertiveness, and changing security dynamics caused by China in East Asia make the present a very dangerous time and certainly one of the most complicated and chaotic periods since World War II. America is uniquely positioned to counter these threats and also stands to lose the most should they remain unchecked.

Over our history, political support for American engagement waxes and wanes. Why? Perhaps it is because the benefits of internationalism are dispersed while the costs, especially in wartime, are focused and visible. It has always been this way. Periods of doubt about the desirability and effectiveness of international leadership have repeatedly occurred. The enduring nature of the debate over America’s proper international role is all the more reason to find new ways of engaging the public and reminding it of the benefits of our leadership.

The authors of the chapters that follow address the three crucial areas of American leadership: security, prosperity, and principles of freedom. While they do not agree on every position, and certainly do not share all the same political views, the authors nonetheless unite to conclude that the benefits to Americans from global leadership by our country are undeniable and imperative—and that, in today’s interconnected world, the United States could not withdraw even if it wanted to do so. The vacuum created by America’s absence would quickly be filled by other powers whose motivations, values, and security interests are not likely to align with our own.

We hope this report launches a series of discussions and inquiries regarding the costs and benefits of American leadership. Not enough has been done to make the case to the American people for America’s continued international leadership role. What we need is a well-articulated plan for international engagement that resonates from Washington to Main Street and back.

We believe we make such a case and offer such a plan in these pages. We hope that America’s leaders—and, most importantly, the American people—can find in these pages new reasons to reassert America’s characteristic confidence and purpose to preserve and reform an international system that has brought so much good to so many people for so long a time.
American Leadership and Security at Home and Abroad

American leadership is critical to the security, stability, and prosperity of both the world and the American homeland. In recent years, however, US international leadership has increasingly been challenged in both spheres. Abroad, the international order is under attack from multiple sources: from nonstate actors such as al Qaeda, ISIS, Hezbollah, and others, to regional rogue states such as Iran and North Korea, a nationalist Russia challenging the sovereignty of neighboring states, and an increasingly ambitious China. Whether the aims of these countries or nonstate actors are hegemonic, terrorist, or just opportunistic, only vigorous international leadership from the United States and its allies will adequately address the challenges to the international order that each presents. No other country would, or could, fill America’s shoes as the underwriter of international security should the US choose to step back.

Yet here at home, a growing number of Americans question whether the costs of US international leadership are worth the benefits. Some have lost confidence in the effectiveness of US national security policies as they have witnessed the efforts of America’s political leaders yield questionable results. For others, the Great Recession shook their economic confidence and meant America needed to focus on nation building at home, and this continued economic insecurity has led to a reluctance to engage abroad. In both the economic and security realms, though, history shows that America and the world are more prosperous and secure when the US exercises leadership.

At the end of World War II, the United States supported the creation of a new global political, military, and economic order. America played a central role in founding the United Nations, the International Monetary Fund, and the International Bank for Reconstruction and Development (the World Bank). In the years that followed, Washington concluded a series of bilateral and multilateral alliances, including the North Atlantic Treaty Organization (NATO), designed to reassure allies and deter potential aggressors. In the decades that followed, the United States played an essential role in nurturing and sustaining the international order that it helped build. That order has helped keep us safe and has allowed us to prosper.

At this crucial juncture, America faces a choice: continue to lead and work with its allies to preserve current international institutions and change them to meet the new threats and challenges of our time or risk the security and economic strength that has resulted from decades of US international leadership. Over the course of many discussions, we have concluded that international leadership aligns with America’s enduring interests and objectives and that the long-term risks of an inward-looking America overwhelm the short-term benefits.

Enduring US Interests and Objectives

For the better part of a century, under both Democratic and Republican administrations, the United States has fostered security and stability at home and abroad through the pursuit of a relatively consistent set of policy aims.

First and foremost, the United States has acted through the use of highly capable armed forces to protect the American people and to defend the country. The need to “provide for the common defense” was set out in the preamble to the Constitution as one of the central responsibilities of the federal government. Since World War II, the United States has responded to threats as far from America’s shores as possible through highly capable armed forces and through diplomatic
initiatives geared toward reducing, managing and countering threats. Early, active involvement has been essential to preventing crises from becoming conflicts and for dealing with threats before they grow and spread. Moreover, the unquestioned strength of America’s military capabilities—and the demonstrated will to use them—have provided deterrence to aggression from potential adversaries.

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Second, to promote shared interests and shared values, as well as to protect its allies, the United States has developed a network of treaties and alliances with like-minded countries. In addition to America’s own efforts, its allies have multiplied its strength and have helped maintain global and regional security. Australia, for example, has recently played a major role in promoting security in Southwest Asia, including peacekeeping operations in East Timor and the Solomon Islands. France launched military operations against al Qaeda in Mali, and Japan has been an important and growing source of development and security assistance in Africa and elsewhere in the developing world.

Third, the United States has promoted and protected global public structures that have become as crucial to America’s national security and prosperity as they are to nations across the globe. These include open markets and free trade, international standards for the environment and human rights, and many of the structures that underlie cyber and information technologies. Participation in international organizations not only provides America with the opportunity to shape and influence the evolution of international standards, but it also facilitates trade and reduces the likelihood that misunderstandings between great powers will lead to military conflict.

Fourth, the United States has acted over decades to ensure access to the global commons—that is, the sea lanes through which trade flows—in peacetime and protect them in wartime. Defending freedom of navigation on the high seas has benefited not only the United States but also nations the world over. The free flow of goods, services, and information resulting from the broad acceptance of these norms has facilitated global economic development, opened up markets to US goods and services, and ensured that US traders and businesses can compete on a level playing field.

A fifth objective is less frequently discussed but nonetheless represents an enduring American aim: for the past century, the United States has sought to preserve an equitable balance of interests across Eurasia. Ensuring a stable security environment across the Eurasian land mass not only has economic benefits for the United States, but it also helps prevent the outbreak of conflicts that, because of its alliance obligations, could draw the United States into great-power wars.

Finally, the United States has acted for the common good by providing humanitarian assistance and disaster relief. Indeed, the United States has historically led many international relief efforts through its own resources and expertise both civilian (for example, the Agency for International Development) and military (the US Navy, Marine Corps, and Coast Guard), through the United Nations and other multilateral entities, and through civil society nongovernmental organizations (NGOs) and the charitable generosity of the American people. Humanitarian assistance and economic development are not only morally right things to provide and encourage, but they also create a world that is more stable and secure.

Those who call for the United States to retreat from its traditional international role explicitly or implicitly assume that the United States should trim the goals that it seeks to achieve. They argue that if the United States pulls back from leadership, it will entangle itself less in the world’s problems. The historical case for this line of argument is flimsy—often, the United States has been pulled into foreign conflicts specifically because it tried to disengage, not because it engaged too much. (The Korean War and World War II are just two examples.) But if the benefits to the security of the both the homeland and the international order of American leadership are clear, why do so many question the value of engagement?
Why US International Engagement Is Being Questioned

Although the case for US international leadership, and the principles behind it, is strong, critics who argue that the costs of international involvement outweigh the benefits, both at home and abroad, are reacting primarily to two recent developments in American history.

First, more than a decade of war in Iraq and Afghanistan eroded the willingness of some Americans to support future major military operations. Some doubted the wisdom of the war in Iraq, while others questioned the effectiveness of US national security institutions in waging the wars once they had been launched. For some, the seeming inability of the United States to formulate and implement an effective strategy has raised larger questions about the efficacy of US military intervention in general.

Second, the Great Recession and the unequal distribution of the gains from the subsequent recovery have produced a mixture of anxiety and pessimism about America’s role in the world. A growing number of Americans question why the United States is expending limited resources when many continue to struggle at home. Others see the North American energy boom as an opportunity for the United States to disengage from its overseas commitments, particularly in the Middle East.

The public still supports American international engagement when they see a worthy cause. A poll conducted by the Chicago Council on Global Affairs in 2014, as the reach of ISIS expanded and other powers, such as Russia and China, became increasingly assertive along their peripheries, showed that 6 in 10 Americans supported an “active” role for the US in international affairs.

These findings were a marked contrast to public attitudes from 2013, when the Pew Research Center found that “growing numbers of Americans believe that US global power and prestige are in decline” and that “support for US global engagement, already near a historic low, had fallen further.” That poll also found that members of the “millennial” generation (ages 18–29) were slightly more hesitant than older generations about US international leadership.

Public attitudes are often cyclical. So has America’s level of engagement and restraint in the international arena, but this should not be the case. As the principal guarantor of international security, America creates space for new challenges to emerge and for old adversaries to grow stronger when it does not act. Time and again after major conflicts, Americans have questioned whether it makes sense to continue their leadership role, and time and again, events eventually remind Americans what the world would be like without their participation. The fact of the matter is that the consequences of American withdrawal would be long lasting and would affect both the international arena and the homeland. Regardless of the changing nature of public attitudes, this fact remains as true today as it ever was.

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Why US International Engagement Still Matters

The world of today is far different than the world of 1945 or even that of 1995. The interconnected nature of global commerce and communications and the speed with which military power can be exerted, means that, unlike in the past, the United States could not disengage from the international community even if it so desired. The global integration and reach of communications and financial tools has created economic opportunities and empowered local populations in a manner never before seen. But it has also created opportunities for terrorist organizations and state actors alike to organize, support, and perpetrate attacks across international borders in new and rapid ways. Are America’s enduring objectives still relevant today?

The first and foremost enduring objective of the United States, as with any nation, is to provide for the common defense of its own people. Maintaining credibility with allies, acting from a position of influence in international organizations, and providing aid to
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those who suffer around the world cannot be done if our national defense and capabilities are not strong. This is as true today as it ever was, but the budgetary cuts our military currently faces undermines this central objective. The first imperative of a new administration must be to work with Congress to reverse the effect of the Budget Control Act on defense spending. Though this was not its intention, the act has pushed the Pentagon into budgetary disarray and weakened the American military’s capacity to defend America’s core interests.

What of the second objective—the establishment and maintenance of useful alliances and partnerships? Despite the perception among some that the United States has a tendency to act unilaterally, the manner by which America has historically exercised its leadership tells a different story. Since World War I, the United States has consistently engaged, organized, and deployed with allies and coalition partners and produced decisive results. Many of these countries would not have—and in some cases, simply could not have—acted without the support of the United States.

America’s allies share many of America’s security concerns. But doubt in the ability or willingness of America to lead leaves our allies looking for other partners and security arrangements, ones that may not benefit America. Cooperating with allies also protects our security at home. Since September 11, 2001, for example, such cooperation has played a role in preventing no fewer than 11 of 60 planned terrorist attacks against the homeland.

The third and fourth objectives—promoting liberal economic values and maintaining access to the global commons—are arguably more important to the United States now than at any other point in history. Many saw the fall of the Soviet Union as proof of the superiority of the capitalist and liberal economic order long championed by the United States. In recent years, however, command economies that mix elements of communism and capitalism, such as China’s economic system, have gained appeal in the developing world. Meanwhile, the world’s shipping routes have increasingly come under threat by modern pirates and by manipulations of international legal regimes that grant countries exclusive rights to waters near their shores. Both of these developments threaten the vitality of international trade, which accounts for the equivalent of $10,000 of each American household’s income.

Some may view the importance of the fifth objective, maintaining a favorable balance of power across Eurasia, as outdated. Recent events, however, have proven this objective’s renewed importance. In the absence of clear leadership from the United States, Russia’s hostilities toward its western neighbors have reached their highest levels since the Cold War; in addition to unilateral actions in the East and South China Seas, China has expanded its economic influence in Southeast Asia, Central Asia, and Africa; and Iran has continued to fund terrorist groups that threaten the stability of the Middle East. As ambitious nations become more powerful, it is in America’s interest to ensure that their rise is peaceful. Otherwise America may find itself in a historically familiar situation in which it is called on by its allies to contribute to a conflict that could have been prevented through deterrence, strategy, diplomacy, and presence.

When people across the globe need help, they turn not to China, nor to Russia, but to America. This is particularly true in times of humanitarian need. Helping others is the right thing to do, but the last of the enduring objectives, humanitarian assistance and disaster relief, remains important to all Americans for more than just moral reasons. For very little money, foreign assistance creates goodwill toward the United States and eases the accomplishment of other economic and national security objectives. That goodwill translates into increased opportunities for American businesses, ease of travel for its citizens, and better diplomatic relations that can then be leveraged in times of difficulty. America’s power bestows upon its citizens many benefits. With those benefits come a responsibility to help those in need—but doing so helps Americans too.

For all of the introspection by Americans about their role in the world and the media coverage of those from around the world who criticize the United States, the world’s population, in fact, would rather have America at the wheel than anyone else. In its inaugural poll of international opinion about major world powers, Gallup found that an average of slightly more than 43 percent of respondents between 2007
and 2014 approved of America’s leadership role in international affairs—higher than for any other country. People across the world understand that America leads on the global stage to protect not only its own interests but also the prosperity, security, and dignity of all. With increased calls for a retracted stance in international affairs, now is the time for Americans to remember this as well.

Conclusion

In sum, American leadership has helped ensure stability and security throughout the globe and has bestowed immeasurable benefits on the American people. The fact that the era of American leadership has corresponded with the decline of great-power war is not a coincidence. Moving forward, US engagement and leadership will remain as crucial to security, stability, and prosperity today as in past decades. The arguments advanced by those advocating a retreat from America’s traditional international role do not stand up under scrutiny. Still, these arguments need to be addressed. To be sustainable, US international engagement needs to be realistic and results oriented.

There is plenty of room to debate how best the US could play a 21st-century leadership role. But the key word here is how, not whether, it should play such a role. The choice before the United States is whether it will help shape the world or allow others to fill the vacuum created by its absence.

The foundation for American leadership—and the prosperity and security that derive from it—lies in the insurmountable power of its military. Speaking to the British House of Commons in 1982, Ronald Reagan stated, “Our military strength is a prerequisite to peace.” The US military is the best trained, best equipped, and most capable in the world, and to maintain the peace, the United States must ensure that this continues to be the case.

Military strength is an essential element of national strength, but it is not the only tool in America’s tool kit. To finish Reagan’s thought, “We maintain this [military] strength in the hope it will never be used.” The United States should thus rely on diplomatic and economic levers as tools of first resort in its interactions with other countries. It should meet its obligations to its allies and expect its allies to meet their obligations to the United States. International engagement and leadership are often equated with military intervention, but engagement across other fronts will often preclude the need to resort to violence.

The security, diplomatic effectiveness, and economic vitality of the American people are inextricably intertwined, and the absence of security imperils the other two. President John F. Kennedy understood this truism when he stated in 1961, “Diplomacy and defense are not substitutes for one another.” Today, the links between diplomacy and defense are still frequently lost in public conversations about the importance of maintaining a ready and capable force; too often, providing for the common defense is construed as an end unto itself rather than as a means to protect the interests of all Americans. In fact, maintaining our military power, and the ability to project it, may be more important in today’s interconnected world than at any time in our history.
American Leadership and Prosperity at Home and Abroad

In the wake of the Great Depression and World War II, America’s leaders recognized that financial stability and growth elsewhere improved domestic economic conditions and, likewise, that economic crises elsewhere harmed US growth. America’s role in the postwar world reflected an understanding that it would be impossible for the United States to isolate itself from events happening elsewhere in the world. America’s leaders came to a consensus: it was far more beneficial to engage with the world than to try to insulate the country from developments abroad. The United States, then, came to exercise global leadership in pursuit of the safety, security, and prosperity of its own citizenry, which would in turn undergird peace, security, and economic growth abroad.

In the decades that followed, America exercised its leadership to underpin and shape globalization in a manner that ensured economic prosperity both at home and abroad. This international economic system, which could not have been created without America, has been responsible for lifting nearly a billion of people out of poverty at a pace never before seen.

The consensus that drove this approach is now eroding, but the reasoning behind it is as applicable today as it was 75 years ago. Today, the American economy is increasingly integrated with other economies, and its vibrancy relies on foreign trade and investment as well as inflows of capital to the United States. American leadership through the support of an open, rules-based and nondiscriminatory international system—one that encourages growth, flows of people, ideas, investments, and trade—remains key to ensuring that globalization continues to increase economic welfare both at home and abroad.

Even without active US leadership, companies will continue investing overseas, businesses will continue trading with foreign partners, and students will continue studying abroad. But the absence of US leadership will likely result in American businesses, workers, and families confronting a world where competition is less fair and less free—a world that is more protectionist, less friendly, less democratic, less safe, and ultimately less conducive to the furtherance of overall US and global prosperity and security.

An Eroding Consensus

Some Americans now question whether the cost of international engagement is worth the benefits. This reflects weariness with overseas wars and entanglements that have yielded ambiguous results. The international economic order that the United States has built and continues to support has created the conditions that have allowed the growth of countries worldwide, including Japan, China, India, and Brazil. Yet some of these countries want to play outside the rules that ensure an open, nondiscriminatory system.

Many in the United States have also struggled to adjust to the challenges brought on by globalization. As a result, the US is seen as no longer realizing gains from globalization, and even if it were, the gains are insufficient to justify continued US leadership. This raises the question of whether the US should continue to exercise leadership, and if so, how it should proceed.

Others view globalization as continuing to work to America’s advantage and believe that ongoing US leadership is essential for sustaining the existing system. According to this view, rules-based free trade necessarily increases US and global welfare, and the costs to particular industries and their workers need to be managed with appropriate domestic policies. This group supports strong enforcement of trade...
obligations but also emphasizes long-term trade liberalization goals over individual lapses in compliance. Still others support deepening flows of trade, investments, people, and ideas but see new challenges for the US from globalization, including a lack of willingness of other countries to share in the benefits and burdens of maintaining the system. While presenting a different conclusion from the isolationists on how to address these issues, this view grapples with many of the same concerns—such as whether the current framework for globalization can address challenges such as large-scale intellectual property (IP) theft, economic cybertheft, and currency manipulation that harms American workers.

Ongoing US Economic Leadership

Addressing the continuing leadership role of the US in the global economy raises the question of the nation’s capacity to continue to lead. Consider a few facts: The United States remains the world’s largest economy and is almost twice as large as China’s, the world’s second-largest economy. The US economy is also one of the most innovative, with the world’s top universities and research institutions. It attracts talent from around the globe.

The US dollar is, by the choice of central banks, the world’s reserve currency and is the most commonly used medium for global trade and investment. The dollar is also the world’s safe-haven currency—American Treasury securities remain the investment of choice for foreign individuals, institutions, and governments during periods of volatility—reflecting a global view of the stability and solvency of the US government. In the words of one leading economist, “There is no viable challenger to the dollar’s status as the definitive safe haven currency.” Unless and until these facts cease to be true, the United States will maintain the power and capacity to shape the terms of the global economy.

The ability of the US to exercise global economic leadership is also linked to America’s capacity to provide global security.

Although the capacity of the United States to lead in the international economic realm is clear, many still question whether it makes sense for the United States to do so. Just because the United States can lead does not necessarily mean that it should. Yet a closer examination of the unique role that America plays in the international economy shows that engagement remains as vital to prosperity at home and abroad today as at any other time in US history.

Why US International Economic Leadership Remains Vital

In a world where many countries are not inclined to promote free markets or ensure the integrity of the trade and financial system, US leadership is crucial to ensure that globalization continues to evolve in ways that suit US and broader global interests. The fact is that America’s leadership continues to shape the international economic system to the advantage of Americans and foreign countries alike.
American Leadership Ensures a Nondiscriminatory, Open, and Rules-Based System. Global growth is not only creating tremendous opportunities for American businesses, traders, and entrepreneurs, but it is also creating challenges. Currently, 95 percent of the world’s population lives outside the United States. Global middle-class consumer demand is projected to grow from $21 trillion in 2009 to more than $56 trillion in 2030, with most of the growth occurring abroad. As other economies develop, American businesses will face increased competition overseas, but this will also present myriad new opportunities for American businesses to enter new and fast-growing markets. To take advantage of these opportunities, it behooves America to ensure that the international economic system is open, nondiscriminatory, and rules based. Under such conditions, American businesses, traders, and entrepreneurs can compete and fully realize the opportunities presented by globalization.

Through its leadership in developing and maintaining a rules-based international economic system, the US has ensured that international norms of economic engagement are broadly consistent with US values. The United States was instrumental in the creation of international economic organizations such as the World Trade Organization (WTO), the International Monetary Fund (IMF), and the World Bank and remains a crucial participant in their operations. These organizations, along with a web of international trade and investment agreements, provide stability and increase certainty, reducing the risks for traders and investors engaging in international economic activity. For instance, government expropriation of a foreigner’s investment without full compensation is now a broadly accepted principle, if not a rule.

The existence of these norms facilitates international commerce and has also aided in the growth of America’s domestic economy. Institutions like the IMF and the World Bank are not beyond criticism, and the United States should play a greater leadership role in their reform. But, overall, the existence of this framework has been a vital tool for US economic and broader national interests.

American Leadership Strengthens Global Value Chains. Continued American economic leadership ensures that American businesses and workers can compete effectively in a global economic system that looks quite different than it did just two short decades ago. In the past, goods were largely manufactured in one country before being exported to foreign markets. This is no longer the case: components of complex goods are frequently manufactured in a number of countries, assembled by workers in another, and marketed and designed by workers in yet another country.

The rise of these global value chains requires that individual countries have secure and cost-effective access to exports and imports. It is especially important for America to maintain this access: many goods and services pass through several countries before being sold to end users, and American companies do much of the high-value-added work. America may import assembled high-tech goods from abroad, but much of the research and development, design work, and technologically advanced inputs typically originate in the United States. For American companies to take full advantage of global value chains, other countries must lower their trade barriers, reduce customs delays, and provide access for global carrier services that can move goods quickly and cost-effectively. These policies align with the interests of American consumers and workers alike, and the US is uniquely positioned to champion them.

American Leadership Maximizes the Opportunities Created by the Internet’s Expanding Role in International Commerce. The Internet is creating new opportunities for business of all sizes, including small and medium-sized enterprises (SMEs), to engage in the global economy. Internet platforms allow small companies easier access to foreign consumers. The Internet is also giving businesses access to cheaper communications platforms and other technologies that increase a company’s productivity and ability to compete domestically and overseas. At the same time, some governments are seeking to restrict the free flow of data and access to the Internet. These policies include banning access to certain foreign sites and giving domestic businesses commercial preferences and advantages in cyberspace.
leadership is crucial to maintaining the openness of the Internet and the free flow of data globally—the equivalent to sea lanes in the 21st century.

American Leadership Facilitates Open Global Capital Markets. The benefits of American leadership extend beyond the realm of international trade. American leadership has also ensured that global capital markets develop in ways that benefit the US economy. The free flow of capital underpins the capacity of American businesses to pursue investment opportunities across the globe. The US has also received significant amounts of inward foreign investment, which has produced economic benefits for the US economy and its workers.27 Many countries, however, still maintain policies that create barriers to foreign investment.

The ability to move capital globally has also allowed multinational corporations to take advantage of international differences in corporate tax rates and structures to reduce the amount of taxes paid in their home countries. Significant tax and foreign investment policy reforms, both in America and in other countries, may be needed to address these issues.

International financial markets also benefit from American leadership. As the global financial crisis made clear, unevenness in regulatory measures, such as accounting, leverage standards, and supervision methodologies, within and across borders exacerbated the situation and delayed the recovery. The US has since moved more quickly than most other nations to address problems the crisis uncovered. For example, US bank regulators introduced “stress tests” for capital positions and encouraged large US banks to adopt global capital standards such as Basel III well ahead of the international schedule. Even in the wake the worst crisis to affect international financial markets in generations, American responses have set the standard for international recovery efforts and the stability of the global financial system.

American Leadership in the International Economic Realm Supports Other Foreign Policy Goals. US capacity to exercise global economic leadership represents a powerful tool to achieve national security goals. The size of the US market and the importance of its banking and financial system allows it to, in many cases, impose effective trade and financial sanctions and to persuade other countries to take similar measures both through the UN Security Council and through bilateral and multilateral agreements to enhance global security.

In addition, the US has effectively used its economic power to further the global adoption of and adherence to norms of behavior in areas such as democracy, human rights, and environmental protection. Important US laws with extraterritorial reach, such as the Foreign Corrupt Practices Act, have also been instrumental in preventing corruption and protecting the rule of law globally.

How the US Exercises Global Economic Leadership

The US retains the capacity for international economic leadership, and it remains in America’s interests to exercise it. Changes in the world economy, however, affect how this leadership should be exercised. The United States has a wide range of unilateral and multilateral tools at its disposal through which it can shape norms, protect domestic economic interests, and encourage growth.

The inclusive nature of the liberal economic order established by the United States and its allies in the mid-20th century has led to the rise of a number of economically strong and politically stable countries that increasingly exercise their own clout. Some support US goals; others do not always. The challenge in this new environment is for the US to generate buy-in among these countries for new rules on trade, investment, and financial market regulation. If successful, it will increase the chances that these rules are globally
adopter and implemented. At times, this will involve working through existing international organizations such as the WTO, World Bank, and IMF or pulling together smaller groups of nations to address pressing international economic issues, such as the G20 Leaders’ Summits.

The United States can also work with nongovernment actors on matters of international economic importance. These actors can help with monitoring and implementation of international economic commitments, which increases adherence to the norms advocated by the US. Providing opportunities for the views of nongovernmental actors to be heard in the development of international economic rules—such as trade negotiations—can improve outcomes and strengthen the legitimacy of these rules.

Whether through international organizations or the establishment of standards that, through strategic partnerships, eventually become international norms, only the United States can respond to new developments in the international economic sphere in a manner that assures consistency with American national interests.

Exerting Economic Leadership through International Organizations and Institutions. International organizations are some of the most important arenas through which the United States exercises its international economic clout. The US was intimately involved in the creation of many of these organizations, and they have been an important extension of US power in the post–World War II era. These include not only the WTO, the IMF, and the World Bank but also the G20, the Organisation for Economic Co-operation and Development (OECD), and the Asia-Pacific Economic Cooperation (APEC) forum.

Likewise, maintaining the effectiveness of these organizations will require strong US leadership. In the case of the WTO, the size of the US economy often allows the US to shape the agenda to varying degrees, ensuring that the organization addresses issues of importance to the United States. However, the growth of other nations with somewhat different trade goals than the US has made reaching agreement in the WTO increasingly difficult—the Doha Round of trade talks is a case in point. The US also has a veto over IMF and the World Bank, which allows it to stop decisions it cannot accept. US leadership remains critical to ensuring that international economic organizations promote development and global financial stability consistent with US interests and values.

The challenge for the US will be developing new strategies that can generate buy-in from enough countries to make progress on important international economic issues. Broad participation in and burden sharing in the upkeep of international economic institutions remains the most effective way to ensure the ongoing efficacy of the rules-based economic order. This has meant reforming the governance of international economic institutions to ensure that they better reflect the economic importance of large emerging economies, such as China. The failure of Congress to pass reforms for the governance of the World Bank was an important reason why China established the Asia Infrastructure Investment Bank, a development that could weaken the US-led international economic system.

American leadership in the international financial system provides a practical example of how the United States has leveraged partnerships to tackle international economic challenges. Historically, the United States has worked with other members of the G7 (Canada, Japan, United Kingdom, Germany, France, and Italy), to address global economic issues and has also tended to coordinate with these countries closely in international economic organizations such as the IMF and the World Bank. However, the emergence of major economic powers in the developing world, such as China, India, and South Africa, along with the Asian financial crisis in 1997, exposed the limits of the G7 in managing the global economy and the need for these other emerging countries to be involved. This led the US to spearhead the creation of the G20 meetings of finance ministers and central bank governors.

Following the Great Recession and global financial crisis in 2008, the US encouraged the expansion of this forum to include the leaders of each of the G20 nations. Through the Leaders’ Summit, the United States pursued a coordinated global response to the crisis, reducing the overall economic costs to the United States and the world. In 2008, at the debut summit in Washington, G20 leaders agreed on principles that
would guide each country’s financial-sector reform and adopted an action plan to implement those principles. This marked an early but important step in shoring up capital markets and setting them on a stable and sustainable path even in the midst of the crisis.

American leadership on issues related to taxation provides another example of the United States both setting the tone for reform and working through international institutions to achieve it. The practice by multinational companies of shifting profit centers globally to reduce their US tax burden has led to declining corporate income tax receipts for the US government and has created an incentive to keep corporate profits outside the US. The US has attempted to address this by working with other countries through the OECD and the G20 process to secure international agreement that “profits should be taxed where economic activities deriving the profits are performed and where value is created.”29 To help achieve this, the G20 endorsed a common standard for reporting and exchanging tax information. This will increase the transparency of tax arrangements and facilitate enforcement of US tax laws.30

Promoting International Trade. Given the aforementioned deadlock in the Doha Round of international trade negotiations, the United States has launched trade negotiations outside the WTO context and plurilateral agreements at the WTO. These negotiations are not intended to undermine the WTO; rather, the US is engaging with like-minded countries—which account for nearly 80 percent of the world economy—with a view to ultimately raising trade and investment standards multilaterally.31 For example, the United States initiated the Trans-Pacific Partnership (TPP) negotiations among 12 Asia-Pacific countries and Transatlantic Trade and Investment Partnership talks with the Europe Union, as well as the Trade in Services Agreement negotiations with like-minded countries in Geneva and the Environmental Goods Agreement negotiations with like-minded countries at the WTO. If successful, the institutions that stem from such negotiations may eventually be integrated into the WTO. The negotiations are also likely to catalyze further liberalization among countries not party to these negotiations, as these countries seek to obtain similar market access into the US.

US-led trade agreements are also pushing countries to take on commitments to more fundamentally liberalize their economies and open their markets to US goods, services, and investments. The agreements increasingly include commitments that extend well beyond reducing tariffs, such as efforts to reduce “behind-the-border,” or domestic, regulations, that increase the costs of good and service exports. These include commitments by countries to open their telecommunications markets, establish competition law, prohibit local content and technology transfer requirements, facilitate e-commerce and ensure a free and open Internet, and adopt higher labor and environmental standards. These commitments may precipitate and interact with domestic economic reforms in foreign countries, which improves the efficiency and competitiveness of those markets and creates new opportunities for American traders and investors. Thus, American leadership through trade agreements has driven, and will continue to drive, growth both at home and abroad.

Protecting an Open Internet. Many people know that the US created the Internet. Fewer understand that the United States has led the development of international norms and treaty level commitments that will keep the Internet open. This has been achieved by working with other like-minded governments such as Japan and the EU to agree on principles governing the Internet. The US has also sought to spread these principles by incorporating them into international trade agreements, such as the US-Korea FTA and now the TPP.

The US has also shown leadership on broader Internet governance issues by working with other governments and nonstate actors in a multistakeholder system of Internet governance. Going forward, this engagement will be vital to counteracting policies, adopted by countries such as China and Russia, that restrict access to the Internet for political reasons. Through international engagement, the US is playing a key role in ensuring that the values of free speech and commerce that have undergirded the Internet since its inception continue to characterize it going forward.

Along with greater global interconnectivity has come a proliferation of cybercrime. Of particular concern to American businesses is foreign state–backed
WHY AMERICAN LEADERSHIP STILL MATTERS

hackers’ theft of sensitive data and costly disruption of vital financial and commercial activity. In October 2014, cybersecurity firm Novetta Solutions released a report on Axiom, “a cyber espionage group who has operated unabated for at least four years” from within China. Targets have included companies from the finance, technology, health care and biomedical, legal, and media industries, among others.\(^3\) In June 2014, a McAfee and Center for Strategic and International Studies report found that cybercrime costs the global economy as much as $575 billion per year, and the United States alone around $100 billion.\(^3\)

Though the US has played an increasingly important role on the issue of international cybersecurity, halting cybercrime has proven to be a challenging task.\(^3\) Thus Washington continues the slow, hard work of “developing international norms of behavior in cyberspace,” “promoting collaboration in cybercrime investigations,” and “international cybersecurity capacity building.”\(^3\) This could include working with partners to develop binding rules and effective enforcement mechanisms to deter breaches. If the United States fails to lead here, Russia, China, and other countries with different approaches—ones that are detrimental to American interests—will step into the void.

Protecting Intellectual Property. Globalization has highlighted the central importance of innovation and the knowledge economy to the United States. US leadership abroad is, thus, crucial to address fraudulent or otherwise illegal practices relating to the intellectual property (IP) of American industry. US policy has involved both setting IP rules that reflect the way that new IP is being developed and used and advocating for these rules globally.\(^3\) The US has sought to expand these rules through international trade negotiations and by working through the World Intellectual Property Organization, an international organization that develops international rules on IP. The United States also works bilaterally with its trading partners to develop their IP laws to both protect US IP in foreign markets and foster the culture of innovation more broadly.

The US has also taken the lead in enforcing international IP commitments. This has included both litigation and cooperative confidence-building measures. For example, where countries have breached their WTO IP commitments, the US has pursued them using the WTO dispute-settlement mechanism. The US is also working through international forums such as APEC to improve enforcement of IP commitments at the border.\(^3\) The US NGO Creative Commons’ Open Source Initiative also shows that the US can lead not only in the protection of needed intellectual property rights but also in new approaches to innovation and the knowledge economy.

The United States will continue to be active in strengthening international IP protections, through both international organizations and using trade policy tools.\(^3\) Some believe that the US government needs to be more aggressive in terms of both policy and enforcement, given the importance of IP-intensive industries to the US economy. Failure to show leadership in this area would cede ground to others with different priorities, leading to increased IP theft and losses for US businesses and the US and global economy.

Economic Leadership and Regional Security. US international economic leadership has complemented the importance of its military alliances and broader strategic goals. The US has the world’s strongest military and remains a central actor in the provision of global security. The US Navy’s global predominance has upheld freedom of navigation worldwide, ensuring that the sea lanes remain open to American and international commerce. Active US engagement in the security realm has also forestalled costly security competitions and even armed conflict and has allowed individuals, businesses, and governments to invest and trade with more certainty.

In East Asia, for example, US alliances with historical adversaries South Korea and Japan enabled those countries to focus more on economic development during the Cold War than would have been possible absent American defense commitments. Eventually, both became important sources of affordable consumer goods, major markets for American exports, and providers of needed investment in the United States. The TPP negotiations have also become a key element of the US policy of “rebalancing” toward Asia that
has included the reallocation of military assets to the Asia-Pacific region. The TPP demonstrates the US economic commitment to the region and will help underpin the strength of the economies of US allies in the region, such as Japan.

America continues to play a similar role in Eastern Europe today via its leadership of the NATO alliance. The alliance deters aggression, making countries like Poland and the Baltic States more economically and politically secure. Since those states joined the alliance in 1999 and 2004, respectively, they have experienced prodigious economic growth, in part because they could focus on investing in their people and infrastructure rather than engaging in costly security competitions. America has accordingly seen enhanced trade relations with these countries.39

Conclusion

The liberal international economic system, which has been one of the main drivers of US and global prosperity, did not come about on its own. American leadership was crucial to establishing international order in the wake of World War II and to sustaining and promoting it in the decades that followed. US leadership remains necessary to ensure that globalization supports American and global welfare and is consistent with US values.

Globalization does present new challenges, including cybersecurity, tax evasion, financial governance, and international trade; these issues are increasingly interconnected, making their resolution complex. The acuteness of these challenges has become increasingly apparent in recent years, as the US recovers from the deepest economic downturn since the Great Depression.

Some countries that have benefited from the international economic system are also challenging the US-built system, making Americans question the system's continued value. The intractability of multilateral trade negotiations are also seen as evidence that the US has lost influence on issues that matter. The rules-based, liberal economic system that has fostered the growth of many countries has led to increasing competition for the US. This competition is, at times, backed by impermissible government support in the form of subsidies and anti-competitive policies (for example, IP theft) that favor domestic industries over US business. These issues all underscore the need for stronger US leadership.

The key question for the US is not whether it has the capacity to lead but how to effectively exercise leadership.

The willingness of the US to lead is also linked to uncertainty about its capacity to lead. The US retains this capacity, despite concerns over its holding a shrinking share of world GDP and the rapid rise of China and others. Reality belies these doubts: the US vibrant and innovative economy remains the world’s largest (at almost twice as large as that of its closest competitor, China), and the US continues to possess multiple strengths that underpin its capacity to lead.40 The US commitment to global security also underpins US economic leadership: whether the US leverages effective economic sanctions against states flouting global rules or whether countries seek closer economic ties with the US to support their military alliances, American might in the military realm supports America’s economic clout, and vice versa.

The key question for the US is not whether it has the capacity to lead but how to effectively exercise leadership. In particular, how can the US achieve outcomes in a world where power is no longer so concentrated? In many respects, the diffusion of power is the product of successful US policy. The US-led international economic order, which includes liberal and nondiscriminatory trading relations and open capital markets, supported the economic growth of many countries in the post–World War II era. Ensuring that these countries remain invested in the system will require American leadership. The stability of the rules-based economic system is greatly enhanced when more countries are committed to its goals. The economic prowess of the United States places it in a key position to build coalitions of like-minded nations and consensus in international organizations.
The Great Depression and World War II made clear that the US could not realistically disengage and insulate itself from events unfolding elsewhere. The level of connection and integration since then has only increased, making disengagement an option that is neither achievable nor desirable. Moreover, the US has benefited enormously from the post–World War II international economic system that it has created. For the US, leadership remains indispensable to the continuation of the economic system and the development of new rules, norms, and solutions to future challenges. Only strong leadership will ensure that globalization continues to drive US growth, employment, and opportunity.
American Leadership and Principles of Freedom at Home and Abroad

“Now the trumpet summons us again . . . [to] struggle against the common enemies of man: tyranny, poverty, disease, and war itself.”

—John F. Kennedy

“The ultimate determinate in the struggle now going on [will be] . . . the values we hold, the beliefs we cherish and the ideas to which we are dedicated.”

—Ronald Reagan

I t has become fashionable to suggest that exceptionalism is a chauvinistic litmus test to underscore partisan differences in foreign policy. It need not be so. America is unique because it was the first nation founded on a set of enduring values and truths proclaimed at the nation’s birth. These values define the nation, including a belief in the primacy and dignity of the individual, limited constitutional government, equal treatment under that law, and the freedom to achieve according to one’s talents and initiative.

These principles of freedom underpinned America’s constitution and provided the nation with the framework and the model for an “ordered liberty” to pursue its goals at home and abroad.41 Though America’s beginning was modest in material respects, it was rich in ideals, determination, and ambition. In declaring American independence the Founding Fathers challenged the reigning world order, and, by virtue of its principles and example, the American experiment became the world’s standard-bearer for freedom. It is an image and reality that endures today.

The founders believed that America’s principles were transformative and would, in time, establish new norms of governance and commerce for the benefit of humankind. “The world has its eye on America,” Alexander Hamilton said, and our “noble struggle . . . occasioned a kind of revolution in human sentiment.”42 John Quincy Adams predicted that the American experiment would make “the throne of every European monarch rock.”43 Even George Washington’s famous policy of neutrality and his warning against foreign entanglements was, as he explained, required by America’s initial vulnerability and the need to “gain time” so that America could “progress without interruption to that degree of strength and consistency which is necessary to give it . . . the command of its own fortunes.”44

This early sense of purpose and destiny would continue through the centuries to come. Henry Clay spoke of America’s “duty to share with the rest of mankind” the gift of liberty.45 Abraham Lincoln’s secretary of state, William Seward, spoke of America’s duty “to renovate the condition of mankind.”46 The 20th century saw the United States repeatedly rise to defend freedom against both fascist and totalitarian forces.

After the long struggle against communism following World War II, America emerged as a beacon of freedom, an effective leader, and a reliable guarantor of global security. For the democratic-minded nations of the world, America was to be befriended and engaged. For nations hostile to democracy, America was a nation with which to contend. By century’s end, 2.3 billion people were living in 85 free countries in the far reaches of the globe.47

America’s global leadership and example played a crucial role in this historic transformation. For a moment, it seemed as though the principles of freedom
had finally triumphed over despotism, authoritarianism, and extremism. After the collapse of the Soviet Union, America’s leadership even inspired the notion that its principles were now established as the norm—it was “the end of history” in the war of ideas over economics and governance.\footnote{48}

### The Challenge Today

The attacks of September 11, 2001, shattered this dream. To most Americans, the events of that morning validated who we are and reminded us of what we are not. But solidarity at home soon began to bend under the pressure of two prolonged conflicts on foreign soil; war fatigue, self-doubt, and disillusion began to take their toll. In recent years, challenges at home and abroad have led some Americans to question the value of US international engagement and our ability to be effective overseas. Some have wondered, at a time of economic uncertainty, whether the United States should mind its own business and focus on nation building at home. Meanwhile, the unclear outcomes of recent conflicts on foreign soil that have cost thousands of American lives have led many to question whether the costs of America’s foreign policy actions are worth the benefits.

But these intense, very visible, and visceral events obscure the broader, longer-term picture. Americans do not stop building firehouses or putting up smoke detectors because some buildings burn down. Neither should they stop trying to put out fires internationally or seeking to prevent them because some have proven hard to extinguish. We will not succeed in every case, nor always in the short term. But the alternative to engagement is to allow others, many of whom do not share America’s values or its interests, to fill the void left by our absence. The United States has an extraordinary record of success in international engagements over many decades and still has the ideas, tools, and partnerships necessary for continued success. Failing to work with others to help produce a more peaceful, stable, and prosperous world would both be dangerous to American interests and would mean we are abandoning some of our deepest aspirations as a nation.

### Many Tools in Our Toolbox

The tragic events of 9/11 and the prolonged and bloody conflicts in Iraq and Afghanistan have led some Americans to equate global engagement with military conflict. In fact, going to war is the exception, not the rule. There will be some cases where upholding freedom or protecting our national security will require the force of arms because some global bullies speak no other language. Whether the US is seeking to confront al Qaeda or ISIS, or other groups carrying out genocide, some emergencies will have passed the point where diplomacy and peaceful persuasion can be effective.

But, while America has recently been engaged in difficult and prolonged military conflicts in several hot spots around the globe, it has been continually engaged in nonmilitary activities on every continent. In other words, being a global leader does not mean going to war. In fact, sometimes it means doing the hard, patient work required to prevent a war. As General James Mattis once said, “If you don’t fund the State Department fully, then I need to buy more ammunition.”\footnote{49} Our many forms of nonmilitary international engagement include:

- **Diplomacy**, from negotiations to bilateral discussions to trying to change other governments’ incentive structures through calibrated carrots and sticks.
- **Rhetoric**, speeches, and conversations among American leaders and foreign governments, citizens, and organizations, in person or through media outlets such as Voice of America or Radio
Free Europe, and via governmental institutions or nongovernmental organizations such as the National Endowment for Democracy and other US government–supported democracy promotion organizations.

- **Working through international institutions** to infuse our values and interests, including trade bodies such as the WTO, military alliances such as NATO, and global forums such as the World Health Organization and the United Nations Security Council.

- **Foreign assistance**, including financial aid, technical training, and programs that twin foreign institutions and our own, from police forces to universities.

- **People-to-people programs**, including fellowships, study abroad programs, and other activities to foster understanding between citizens of different nations.

- **Trade, entrepreneurship, and business programs** to help American businesses sell goods to customers overseas, as well as programs to build international entrepreneurship and ability so that these countries innovate for global benefit.

- **Public-private-nonprofit partnerships**, or programs that use the power of the US government to convene and catalyze funds, talent, and focus from the business, nonprofit, and foundation worlds to tackle global problems.

Too much attention is lavished on the wars that have consumed us and too little on those that did not happen. While natural, overlooking cases where conflict did not occur because of American engagement does a disservice to the greater value of American leadership. US diplomats and leaders have long played a role in helping prevent and end conflicts. From Teddy Roosevelt’s Nobel Peace Prize–winning work helping to end the Russo-Japanese War more than a century ago to US diplomatic efforts to contain and end the Balkan wars in the 1990s to our current efforts to avert military conflict over boundaries in the South China Sea, peacemaking and conflict prevention have always been important tools in America’s foreign policy toolbox.

Supporting freedom in the world is not the same thing as sending in the Marines. In fact, that is by far the exception. And whether military intervention is deemed necessary or not, it is also rare that the United States acts unilaterally. This is not only because of the unmatched power of America’s military but also because many others generally agree with the underlying principles that guide American foreign policy.

**Leadership Is Not the Same as Going It Alone**

Americans are understandably concerned when they perceive that the United States is being asked to go it alone globally or to serve as the solitary world policeman, a misleading appellation that suggests that others bear no burden in managing crises. In truth, America’s alliances and partnerships are the envy of its adversaries. The 34 democracies that form the OECD, for example, account for 63 percent of world GDP and 75 percent of world trade, although they contain just 18 percent of the world’s population. Many of America’s OECD partners give proportionately far more assistance than the United States does, and cumulatively the aid that they provide exceeds US assistance. The President’s Emergency Plan for AIDS Relief (PEPFAR) program to combat AIDS is supplemented by the Global Fund to combat HIV/AIDS and other diseases, to which the US contributes no more than one-third of the funding.

Certainly no single nation has anything like America’s overseas military commitments. But at the peak of NATO troop deployments in Afghanistan, 49 countries besides the United States had more than collective 42,000 troops serving there. Even today, 42 other nations collectively have more than 13,000 troops deployed there. Altogether, more than 220,000 troops from the United Kingdom alone have served with US forces in either Iraq or Afghanistan over the course of those conflicts.
So America does not have to “go it alone.” But it is true that no other nation can provide the leadership required to mobilize the power of America’s democratic allies. This is why America has rightly been called “the indispensable nation.”52 As one former US official has noted of the unique American role in promoting freedom and preventing atrocities, “Experience teaches that when the United States leads on human rights, from Nuremberg to Kosovo, other countries follow. When the United States does not lead, often nothing happens, or worse yet, as in Rwanda and Bosnia, disasters occur because the United States does not get involved.”53

A Record of Remarkable Success

The impact of American engagement on a variety of international challenges, both historical and recent, should speak for itself. American leadership, foreign policy, diplomacy, and generosity—infused and empowered by America’s principles of freedom—have fueled the expansion of freedom and human dignity and continue to do so in both example and deed. Americans should not forget that, while imperfect, the United States has been an indispensable force of good in the world. The world is freer, more prosperous, healthier, and safer as a result—and this benefits both Americans and people around the world.

Turning Enemies into Allies. FDR helped guide the nations of the free world successfully through the treacherous shoals of World War II at a moment when freedom was greatly imperiled. Most Americans take it for granted today that Germany and Japan are among America’s staunchest allies, bringing their enormous wealth, robust economies, and extraordinary technological and engineering prowess to bear on the side of the democratic and rule-of-law states. But nothing about the situation at the end of World War II made this inevitable. Nor was it an accident. It was in large part the product of America’s deep engagement and leadership.

This was not an isolated example. After the Korean War, the US spent billions to help rebuild South Korea. While North Korea remains a desperately poor dictatorship, today South Korea is a thriving democracy and a staunch US ally in a volatile region. It also imports more than $35 billion in American goods annually that support nearly 200,000 American jobs, returning our initial investment many times over.54 In fact, of America’s 15 largest trading partners today, all are former recipients of some form of American aid.55 Now they are buying our goods and helping to create American jobs. A group of current aid recipients are on the same path, including Brazil, Chile, Thailand, Malaysia, Botswana, and Morocco.

Confronting Totalitarianism and Reintegrating Former Communist Nations. Likewise, the United States worked closely with its allies to contain the Soviet Union following World War II and, with strong bipartisan support over many decades, ultimately prevailed in the Cold War. And as was the case after World War II, America then worked hard following the collapse of the Soviet empire to reintegrate its former satellite states and republics into the family of nations. America and its European allies helped guide other former Soviet satellite states and republics toward democracy, and many are today members of NATO and the European Union.

Building and Benefiting from the Global Commons. Beyond helping to rebuild the devastated nations of Europe and Asia, the United States worked for decades following World War II to help construct a system of rules and institutions that benefited the common good. As the world’s foremost military power following the war, the United States could have adopted a more traditional approach of using its power unilaterally for its sole advantage. It did not. It helped construct a system that was mutually beneficial. Most Americans also take for granted the global system of open trade, free and protected air and sea lanes, and global monetary institutions like the International Monetary Fund and the World Bank—all of which underpin the greatest expansion of global wealth in human history.

America has also helped bring the principles of the American Revolution to the global community. American values and constitutional norms are now seen as consistent with a set of universal rights that are central
to the United Nations Charter, enumerated in the Universal Declaration of Human Rights, and spelled out in detail in binding treaties like the International Covenant on Civil and Political Rights and an array of other international agreements. Consequently, when the United States goes abroad to help encourage and support freedom, it is in no way imposing our values on others. It is helping to vindicate rights that the global community now overwhelmingly claims as the common heritage of humankind.

The United States has fallen short—both within and outside its borders—in trying to live up to these values. We should never hesitate to admit that or to remember that not every good intention produces the desired results. But neither should these failings make us hesitant to support freedom in the world. As we continue the permanent effort to form a “more perfect Union” at home, we can and should support those who are struggling to do the same in their own nations. This is neither hypocritical nor about imposing our values.

Helping to Combat Disease and Hunger for the Good of All. Looking around the world, Americans are understandably dismayed when they see the still-spreading global pandemic of HIV/AIDS and the devastation of maladies like Ebola. They may feel that the challenges of poverty and hunger in the developing world are intractable, and perhaps getting worse. In fact, the United States has a tradition of helping to combat deadly diseases and epidemics, from polio to HIV to Ebola. Child mortality in Africa has dropped by more than one-third over the past two decades, thanks in part to US support for vaccine research and distribution. As recently as 1988, polio was common in 125 countries. Some 350,000 people were struck down by the disease every year. The US helped forged public-private partnerships that have, for all practical purposes, wiped out the disease. Today only a few hundred cases of polio are being reported annually in just three countries. According to Bruce Aylward of the World Health Organization: “It could never have been done without the US.”

Such efforts have enjoyed remarkable bipartisan support. Indeed, the extraordinary US effort to address the HIV epidemic in Africa is among the proudest legacies of the George W. Bush administration, which established PEPFAR and issued a pledge to spend $15 billion over five years to combat AIDS in Africa, Haiti, and Vietnam. PEPFAR has been called the largest commitment by one nation in history to eradicate disease, and it has been credited with saving more than a million lives. Funding for that initiative would have been impossible without Democratic support, and the bipartisan nature of this effort was illustrated by the fact that legislation reauthorizing PEPFAR was named after liberal California Democrat Tom Lantos and conservative Illinois Republican Henry Hyde.

Direct American assistance and American philanthropy continue to make great strides in tackling hunger, infant mortality, and other problems stoking instability in many parts of the world.

All of these efforts were, at their core, products of the American spirit of generosity and our continuing desire to lend a hand to the less fortunate. But in a shrinking world where air travel is increasingly common, it is harder every day to see AIDS, the SARS virus, drug-resistant tuberculosis, or Ebola as problems “over there” that cannot affect the United States. If disease is rampant abroad, it represents both a challenge to our humanity and a threat to our citizens.

Hunger and poverty also remain terrible problems in many countries. Images of struggling masses overseas persuade many Americans that these problems are intractable and that American aid makes little difference. This is untrue, however, and ignores the important contributions the US has made to improving the lives of the poorest of the poor. Before and after World War II, mass famines claiming the lives of millions were all too common around the world. But in the 1950s and ’60s, American ingenuity, philanthropy, and assistance helped sparked the so-called “Green Revolution” in global crop yields, which has been credited with saving more than a billion lives in India, Bangladesh, the Philippines, and elsewhere.
Today, direct American assistance—which constitutes only about 1 percent of the federal budget—and American philanthropy continue to make great strides in tackling hunger, infant mortality, and other problems stoking instability in many parts of the world. As Bill Gates has written, “People are living longer, healthier lives. Many nations that were aid recipients are now self-sufficient. You might think that such striking progress would be widely celebrated, but in fact, Melinda and I are struck by how many people think the world is getting worse. The belief that the world can’t solve extreme poverty and disease isn’t just mistaken. It is harmful.”63

**Conclusion**

Most arguments calling for a reduced global profile for the United States are more developed than the crude “Let them kill each other.” Rather, they are usually sophisticated and shortsighted appeals to selfishness, to penuriousness, to fear, and to bigotry. Throughout history, there are more moments of quiet retreat and abdication than Chamberlainesque appeasement or Lindbergh-like isolationism. But forfeiting American leadership in the world is neither wise nor consistent with American values. Nor would it prevent others from acting to fill the vacuum in ways that threaten our security, prosperity, and well-being.

We no longer need to pledge in the soaring rhetoric of JFK that we will “pay any price, bear any burden” to ensure the survival of freedom in the world. As serious as our global challenges are, they are within our means to address while simultaneously handling pressing needs at home. Foreign aid represents one penny out of every federal dollar; military expenditures are at near-record lows as a percentage of GDP. We have many tools at our disposal that if deployed actively and consistently, can help avoid the need to go to war while still advancing our values and interests. And we have more democratic allies to help address global challenges than at any time in our history.

Partisan disagreement over the past neither serves those efforts nor advances our current priorities. The keys are to understand lessons learned and to focus on what the American people say they want in poll after poll: effectiveness, programs that deliver, interventions that plan for sustainable stability and peace, and expenditures that genuinely better people’s lives and expand freedom. And for those who form and influence American global leadership, the burden is clear: while disagreeing freely about particular public policy choices is a democratic right, ignoring the colossal proven benefits of American leadership to the world—and our own nation—is a mistake.
Conclusion

When we first convened the American Internationalism Project in early 2013, Americans were questioning the importance of continued involvement in international affairs. This sentiment was driven by economic problems at home, war weariness, and a feeling that America’s involvement in foreign conflicts had done nothing to protect or help the average American. This was not the first time that the American public has felt this way, nor will it be the last.

Since 2013, the case for American international leadership has largely been made for us by current events. From the Middle East to Asia, and from Africa to Europe, events over the past two years have shown that the world is still a very dangerous place, with hostile forces moving against US interests and threatening global peace and stability. As the beheading of American journalists by ISIS, the invasion of Ukraine by Russia, and the continued expansion of China’s reach into international waters show, America cannot afford to stand apart from the world. Russia’s military reentry into the Middle East is but the latest example.

Recent polling shows that Americans recognize this. Yet many do not yet seem convinced that American policy abroad is effecting positive change at home. In these pages, we hope to have provided evidence not only of the domestic benefits of American internationalism but also that the specific policy recommendations each of our working groups has made will provide decision makers with new tools and ways of promoting American leadership in international relations.

To protect American and international security, the United States must ensure that our military is superior, that our alliances are strong, and that we act decisively to address potential threats before they escalate into larger crises. From cyberspace to the sea and from outer space to the ground, American military supremacy will be required to deter potential adversaries; to enhance the credibility and use of other tools of statecraft; and, when necessary, to win in conflict. To achieve these goals, the federal government must rethink how it matches resources to outcomes in a way that is both plausible and sustainable.

For America to lead, security and prosperity—guided by the principles of freedom—must be pursued in tandem.

To facilitate and increase American and international prosperity, the United States must continue to support a rules-based international economic order; facilitate free trade internationally; protect the openness of the Internet; enforce intellectual property rights; and pursue domestic policies that promote training, enhance competitiveness, and foster economic growth. Without American leadership, there is no guarantee that international economic issues will evolve in a manner that is consistent with America’s interests, and without smart policy reforms at home, Americans will be less capable of competing in an increasingly interconnected world.

To promote and protect America’s values and ideals in the international arena, the United States must continue to leverage its soft power and pursue diplomatic solutions first, increase focus on human rights issues in bilateral and international engagements and international institutions, and develop mechanisms to better coordinate with and support the efforts of nongovernmental, pro-democracy organizations. We should also reaffirm our commitment to humanitarian assistance and be much more aggressive with public diplomacy efforts. These measures will require protecting the foreign affairs budget and communicating the importance of doing so to the American people.
None of these steps should be taken in isolation. For America to lead, security and prosperity—guided by the principles of freedom—must be pursued in tandem. For this to happen, America’s leaders should devise a strategy toward which each aspect of military, diplomatic, and economic engagement is aligned. Much like in the 1950s, when National Security Council Report 68 was written, America today faces an unfamiliar and unsettled geostrategic landscape. We believe that this report provides a bipartisan foundation our nation’s leaders can use to devise the ways that America will lead in the future, but policymakers must also decide the ends to which those tools are used.

As then–Secretary of State Madeleine Albright once said, America truly is the “indispensable nation.” This is demonstrably true in foreign affairs, but it is also true at home: the benefits of being indispensable in the world for the American people far outweigh the costs. We hope that this report marks the beginning, not the end, of a conversation about how American leadership can support and enable a more secure, prosperous, and free nation and world. We are confident that, in the course of these conversations, many will come to the same conclusion that we did during our project: for the benefit of both the world and the American people, America must lead.
Appendix:
Dispelling Common Myths and Answering Difficult Questions

On Preserving National and International Security

Those who advocate for a more constrained US role in the world argue that the costs of US international involvement outweigh the benefits and see the consequences of US withdrawal as minimal. Yet US international involvement has fostered stability, security, and rising economic fortunes the world over for more than 100 years. So who is right?

Question: Is the cost of US international involvement unacceptably high?
Answer: No. In fact, for the benefits Americans receive, it’s a bargain.

There is a widespread misperception that military and foreign aid spending is too high. The actual budget figures are not widely understood. In fact, the United States spends relatively little on foreign aid, and defense spending levels are neither unsustainable nor near their historic highs. The US foreign affairs budget, which includes diplomacy and aid, is a fraction of 1 percent of gross domestic product (GDP). Defense spending and the foreign affairs budget combined stand at 3.8 percent of GDP, close to the post–World War II low of 3.0 percent in 2000. By contrast, in the post–World War II era, defense spending was as high as 14 percent of GDP at the height of the Korean War in 1952.

This level of spending would likely be inadequate even if the force were fully prepared and equipped to handle the variety of challenges it now faces. But this is not the case. In recent years, the readiness and training activities of all services have suffered as a result of the chaotic budgetary environment; the US Army is smaller than at any time since World War II; and research and development funding for critical Pentagon programs has been slashed. The Defense Department should undertake many reforms to streamline its spending—particularly with respect to its overhead costs—but at a time of unprecedented uncertainty in the international arena, “starving the beast” is a dangerous gamble that puts America’s security at risk.

Question: What are the benefits of US international involvement?
Answer: US leadership in foreign affairs ensures the economic and national security of all Americans.
The American people benefit greatly from US international involvement. The fact that the United States commands the commons, for example, has provided the necessary conditions for globalization, which has benefited both the United States—trade supports nearly 40 million American jobs—and the world more broadly. To cite another example, international cooperation against terrorist organizations and has helped minimize terror attacks on the homeland. Should the United States withdraw, the transaction costs of global trade would spike as sea lines of communication become less secure and the ability of the United States to collaborate with others to prevent terrorist attacks would similarly be crippled.

Question: Does American international involvement give some regions a free ride?
Answer: Sometimes, but that does not mean we should not engage with or support our allies.
Many who argue for America to reduce its international role believe that when the United States does
more, others do less. They assert, for example, that the US-Japan alliance has allowed Tokyo to underinvest in its own defense and to divert resources to economic competitiveness instead. They similarly argue that the US presence in Europe has abetted NATO members' underinvestment in their military forces. Conversely, they believe that if the United States does less, then others will have an incentive to do more.67

In some cases, a strong forward US presence has indeed allowed our allies to spend less on their defense. But that does not mean the US should spend less. For example, the likely alternatives to the United States stationing troops on the European continent during the Cold War would have been the political and military neutralization of West Germany and the spread of nuclear weapons to more European states. Similarly, a US pullback from Japan and South Korea could induce our allies to seek nuclear weapons of their own to compensate for the loss of security provided by the United States, including American extended nuclear deterrence guarantees.

Often the United States needs to do more to ensure that others will do more themselves. That is, active US leadership has frequently been essential to forming and maintaining strong international coalitions. Alliance capabilities are additive, if not multiplicative, and participation in collective endeavors allows the US to influence the aims and missions of international organizations.

In many cases, our partners can and should do more. However, examining our alliances in a narrow, transactional sense misses the larger point: when we support our allies, both they and America benefit more than if they were to act alone. When it comes to alliances, the whole is certainly larger than the sum of its parts.

Question: Does American internationalism equal military intervention?
Answer: No. Military intervention is sometimes unavoidable, but it is a tool of last, not first resort, and only one tool among many. The United States leads and engages internationally in many ways aside from the use of military force. These ways include diplomatic engagement with allies, partners, and other states; political leadership in regional and international fora; economic engagement; and promotion of American ideas and ideals abroad. Still, at times, it is necessary to use force to defend US interests, particularly in circumstances when diplomatic efforts prove fruitless. Yet throughout its history, the United States has tended to be selective in when, where, and how to intervene militarily.

Debates over individual cases of military intervention should not outweigh the broader importance of US international leadership. For example, support of an internationalist national security policy does not demand support for the Iraq war as it was conducted or concluded. Reasonable people can certainly criticize the decision to invade Iraq as well as the way we left the country while still supporting an internationalist national security policy.

Question: Is the world tired of US leadership?
Answer: No. In fact many countries seek more, not less, American engagement.

In many regions of the world, states are calling for more, not less, US engagement. In Asia, US allies and friends seek a greater US role in countering China’s increasing assertiveness. Singapore, for example, recently constructed naval docks specifically to host American naval vessels in an effort to balance China’s growing regional naval presence. In Europe, some US allies seek greater assurance from the United States in response to Russian aggression. In Africa, states are seeking American assistance in countering the spread of the Ebola virus. And in the Middle East, friendly regimes will depend on America’s ability to enforce the measures agreed to in the Joint Comprehensive Plan of Action under the Iran nuclear deal and for helping to stem the tide of instability in the region. It is worth highlighting again a recent poll conducted by the Gallup organization, which found that, between 2007 and 2014, an average of slightly more than 43 percent of respondents approved of America’s leadership role in international affairs—higher than any other country.68
On Expanding American and International Prosperity

Question: Is the US trade deficit a problem for the US economy?
Answer: Not necessarily. In fact, deficits and economic growth are intrinsically linked. The real issue lies in how global trade imbalances will be resolved.

The US has run trade deficits for more than 30 years, and this fact alone often dominates the political debate on trade. However, all a trade deficit means is that we buy more than we sell to others.69

A key driver of the trade deficit is US economic growth.70 As figure A1 shows, the US trade deficit tracks with economic growth. As the US economy has grown, the trade deficit has increased.

The reason for this is that when the economy is growing, the US imports more as consumers buy more and, in turn, businesses require more inputs to produce more products. And recently, increased production of domestic oil combined with record exports of noncrude petroleum have helped reduce the US trade deficit. In 2014, US crude oil production growth was the largest on record.71

Barriers in other countries to US exports also affect the trade deficit. In fact, even though the United States is the world’s largest economy and the US is a major exporter, the share of US exports as a percentage of GDP is low compared to other developed nations.72

An important driver of the US trade deficit is capital inflows into the US, which puts upward pressure on the US dollar, making imports cheaper and exports more expensive, widening the current account deficit. During periods of economic growth, capital inflows increase as foreigners invest in the expanding US economy. The appreciation of the US dollar since 2014 reflects growing confidence in the strength of the US economic recovery.

Capital inflows are also attributable to the demand for US dollars because of its safe-haven status.
particularly during times of global economic turbulence. The global financial crisis first began in the US, but it led to increased capital inflows into the US as other economies foundered.

Even though a growing US trade deficit is often correlated with periods of US economic strength, this does not mean that the US should not be concerned about the deficit, particularly when it reflects global imbalances between deficit countries such as the US and large-surplus countries such as China and Germany.

A key issue here is how these global imbalances will be resolved. The most likely outcome is that the US current account deficit will reduce gradually through a depreciation of the exchange rate. In this case, the US could sustain strong economic growth, particularly as US exports become cheaper and a reduction in the trade deficit boosts GDP. Yet an abrupt halt to capital inflows, while unlikely, would have significant economic costs for the US.

To ensure that any adjustment in global imbalances is gradual will require international cooperation and include adjustments by countries that run deficits as well as those that run large surpluses. US leadership is crucial to address these global imbalances both bilaterally and through the G20 and the IMF.

Reducing the trade deficit also means opening new markets and reducing trade barriers for US exports. This will require domestic policies that enhance the competitiveness of US businesses and workers combined with ongoing US global economic engagement and leadership in terms of both negotiating new trade agreements where prospects for export growth are significant and enforcing existing trade commitments.

**Question: Does trade have a negative impact on overall employment?**

**Answer: No. On net, trade increases employment, but it does not affect all sectors in the same way.**

International trade supports more than 38 million American jobs, and exports to trade-agreement countries alone support 17.7 million American jobs. The share of US jobs tied to trade has more than doubled in the past 20 years, and trade-related jobs pay on average 18 percent more than non-trade-related jobs.

Similar to how trade deficits have increased in the face of US GDP growth, the following graphs show that rising US trade deficits also closely track growth in US employment (figure A2).

The main reason for this is that an expanding US economy generates more jobs. However, changing economic conditions, shifts in consumer preferences, and increased competition—some resulting from international trade—do cause industries to constantly innovate and restructure. This is a form of creative destruction that causes employment dislocations.

Particularly since 2000, the US has lost more than 5 million jobs in the manufacturing sector. Some of this is certainly due to trade. Another key driver has been long-term above-average productivity gains. Improvements in technology allow manufacturers to produce a lot more with less labor.

At the same time, employment in the US service sector over the past 20 years has seen significant growth, employing roughly 88 million Americans in 1994 and 114 million in 2014. Comprising nearly 80 percent of the US GDP, the service sector includes such industries as banking, insurance, telecommunications, information technology, express delivery and logistics, and retail. In 2013, the US exported $687 billion in services, an increase of 65 percent since 2006, and had a $200 billion trade surplus.

How the US deals with dislocations and changes to the workforce does not hinge on how we can close our borders and turn back the clock. The US needs to take the lead in negotiating new trade rules that can ensure that US engagement in the international economy delivers benefits for the US. Where other countries are not complying with their trade commitments, parallel robust US enforcement action is also needed.

On a domestic level, the US needs to better prepare workers for new jobs. This is an issue partly raised by trade but also includes the broader jobs mismatch in the US economy. For example, the 2015 Manufacturing Institute and Deloitte Skills Gap study found that 6 out of 10 skilled production positions in the manufacturing sector remain unfilled because of talent shortages. Skills development and worker training programs—either private-sector or government—remain crucial to ensuring that US workers are equipped to compete globally.
Question: Does free trade cause American companies to move manufacturing and other operations abroad, harming US employment and the US economy?
Answer: Many factors enter into a company’s decision about where to locate certain aspects of its business. Free trade enables companies to establish and leverage global value chains and to allocate resources accordingly. Increasingly, the comparative advantage of the United States is in high-value-added fields. US companies invest overseas for a range of reasons, often to take advantage of proximity to foreign markets and to integrate production into global value chains. A significant amount of US investment overseas is done to bring production closer to customers, as foreign markets have become increasingly important to American companies’ bottom lines. Less than 10 percent of what US companies produce overseas is imported back into the US, demonstrating that these investments are being driven largely by the need to service growing overseas markets.79

Another reason for US multinational companies to invest overseas is to establish global value chains—of which the United States is an integral part. For instance, approximately 50 percent of US trade is in intermediate products used by businesses to make other goods for domestic consumption or further export.80

A study focusing on the production of Apple’s iPhone highlights the importance of viewing trade through a value-added lens.81 According to conventional trade data, imports of the iPhone added $1.9 billion to the US-China trade deficit in 2009. The study showed, however, that while $178.96 was credited to China on import of each iPhone, China’s value-add to each phone was approximately $6.50. In other words, while the entire value of the iPhone counts against the US trade balance with China, where the phone is ultimately assembled, American workers in the United

Figure A2. US Employment Growth and US Trade Deficit

Notes: A positive trade deficit in this graph is defined by a negative balance on goods and services (in millions of dollars). Employment in this graph includes full-time and part-time employment (in thousands). Sources: US Bureau of Economic Analysis, “Table 1.1: US International Transactions,” June 24, 2015; US Bureau of Economic Analysis, “Table 6.4B: Full-Time and Part-Time Employees by Industry”; 2; US Bureau of Economic Analysis, “Table 6.4C: Full-Time and Part-Time Employees by Industry”; 3; US Bureau of Economic Analysis, “Table 6.4D: Full-Time and Part-Time Employees by Industry”.
States are responsible for most of the phone’s value: most of the dollars spent on iPhones stay right here in the United States. As a result, the official trade balance may not be the most accurate indicator of America’s trade activity.

US foreign direct investment in many cases supports employment in the US. Growth in these overseas affiliates usually leads to increases in employment at the US headquarters. The vast majority of overseas investment by US companies is in other developed economies such as Canada and countries in Europe. For instance, US investment in Europe is nearly 15 times greater than investment in the world’s largest emerging markets—Brazil, Russia, India, and China (known as the BRICs)—combined, reflecting demand for high-value goods and services and expansion of existing operations.

American manufacturing and workers benefit not only from inshoring, but also from foreign companies’ offshoring of operations to the United States. Nearly all of the major automakers, for example, have factories in the United States, where they have taken advantage of skilled American labor and proximity to the large American market. In 2013, Japanese automakers assembled 3.3 million cars and trucks in the United States. In 2011, Honda became the first Japanese car company to produce more autos in the United States than it did in its home country.

Not all foreign production by US companies is market-driven. Host-country laws that require local investments or production as a condition for doing business sometimes drive foreign direct investment. For example, across a range of manufacturing industries, China requires firms to invest locally to sell to the domestic market. US leadership is crucial to ensuring that trading partners comply with their international trade obligations and pursue market-driven solutions to their development and manufacturing goals.

Question: Do other countries frequently exploit difficult-to-enforce FTA provisions and adopt illegal protectionist measures?
Answer: Sometimes they do. But this problem should be addressed by reforming and adding onto current enforcement mechanisms, not by turning against free trade, which would be akin to throwing the baby out with the bathwater.

The enforcement of trade, services, and investment obligations has been critical to the international trading system. The original General Agreement on Tariffs and Trade, signed in 1947, identified such actions as dumping and government subsidization to be actionable by the injured party. The ability to challenge these and other market-access barriers was institutionalized in the WTO dispute settlement system. All US FTAs and bilateral investment treaties also include dispute settlement provisions. The WTO dispute settlement system has provided an effective way for the US and other WTO members to resolve trade disputes. The US is the largest user of the WTO dispute settlement system and has been the most successful, achieving significant wins including restrictions on China’s exports of rare earths (a key input into the production of aerospace components, lasers, and batteries), on China’s restrictions distribution of US film, and on EU imports of US beef.

A decision by a government to initiate a WTO dispute reflects current commercial, legal, and diplomatic considerations as much as it does economic ones. This means that at times, the US government may prioritize other foreign policy goals and decline to initiate WTO litigation against another country, even when it may have a sufficient commercial and legal rationale for doing so. This underscores the reality that how countries resolve disputes among themselves often requires complex balancing and prioritizing among multiple goals. Moreover, the WTO dispute settlement system is often slow and provides only prospective relief. Although the system permits the suspension of benefits (retaliation) in a successful case, injured parties have no access to specific remedies for their harm.

WTO dispute settlement therefore needs to be supplemented with other mechanisms for ensuring other countries comply with their trade commitments. The US uses bilateral dialogues such as the US-China Strategic and Economic Dialogue and the US-India Strategic Dialogue, as well as other international meetings such as the G20, to reduce trade-restrictive practices. Although achieving concrete outcomes can at times
appear elusive, only sustained US engagement and leadership can produce results.

The US also seeks to address additional significant areas of concern. For instance, corruption, cronyism, biased or arbitrary government decisions, and administrative backwardness all create transaction costs for US businesses. The US has taken the lead in addressing these issues in a number of ways. US laws, such as the Foreign Corrupt Practices Act and other reporting requirements, have set high bars for US companies’ operations abroad and, in turn, raised standards globally. The US has also included relevant provisions in its trade agreements affirming that corruption and cronyism, among other things, are not consistent with US laws and values and that they do not support economic development in other countries either.

Question: Does free trade benefit only large multinational corporations and America’s wealthy?
Answer: Many corporations benefit from free trade, but it would be inaccurate to say that it benefits only them or only the wealthy.

Large companies have certainly benefited from globalization, as they generally have the resources and capacity to take advantage of associated opportunities. And when these companies benefit, so do their workers.

Increasingly, however, globalization is also presenting opportunities for small and medium-sized enterprises (SMEs), which account for most of the job creation in the United States and nearly half of the country’s private-sector employees. More than 99 percent of US employer firms are SMEs and around 98 percent of US businesses that export are SMEs. At the same time, SMEs account for only 33 percent of total US export value.

Technology is quickly changing those numbers. The technologies that have made so much of globalization—the Internet, improvements in communications (especially telecommunications), and containerized shipping—possible are further enabling SMEs to engage with the global economy. They can now use online platforms like eBay to export, and they can take advantage of the Internet to reach consumers worldwide.

Indeed, growing global Internet penetration may benefit American SMEs at least as much as it does large multinationals. Internet penetration in the United States reached 84 percent in 2013. In Europe, Internet penetration was at a similar level but varied from close to 90 percent in the United Kingdom to under 60 percent in Italy. In the developing world, however, Internet access averages only 35 percent, ranging from 15 percent in India to 46 percent in China. In fact, four billion people do not have Internet access, with 90 percent of those living in developing countries. But Internet access is becoming more common and is expected to reach nearly five billion people in 2020, up from roughly three billion today, with most of the growth happening in the developing world. In short, over the next five years, smaller companies will be able to reach more potential customers.

Realizing the potential of the Internet to support international trade will require a range of issues to be addressed, including the ability to move data freely across border, ensuring efficient and cost-effective delivery systems and protection of IP rights. The Trans-Pacific Partnership, Transatlantic Trade and Investment Partnership, and Trade in Services Agreement negotiations hold the promise of new commitments on cross-border data flows and IP protections with US leadership. Agreement among WTO members on a new Trade Facilitation Agreement—made possible only with US leadership—will reduce the costs from border delays of trade-in goods that result from these Internet sales. Again, US leadership is vital to ensuring that the international economic system develops in ways that support opportunities for US businesses.

Question: Does globalization lead to a race to the bottom on labor and environmental protection standards?
Answer: No. On the contrary, American involvement in global markets increases standards in other countries.

Free trade has not led to decreased labor or environmental standards in the United States, nor has this been the case abroad. Instead, American leadership has been crucial in enhancing global labor and environmental protection standards globally, ensuring that globalization reflects American values.
Beginning with the North American Free Trade Agreement, all US FTAs have included provisions to ensure strong labor standards. The recent US-Columbia FTA and Korea-US FTA require these governments to enforce the International Labor Organization Declaration on Fundamental Principles and Rights at Work and Its Follow-Up (1998). These principles are:

- Freedom of association
- Right to collective bargaining
- Elimination of all compulsory and forced labor
- Abolishment of child labor and elimination of the worst forms of child labor
- Elimination of discrimination with respect to employment and occupation.90

These countries agreed not to waive or derogate from these principles in a manner affecting trade and investment. Moreover, these commitments in most recent US FTAs are enforceable through bilateral dispute settlement, and the United States has also used trade agreements to require other countries to establish a domestic judicial system that can enforce agreed-upon labor laws.

US companies are also instrumental to raising global labor standards. They are far more likely to pay their foreign workers better than local companies and to insist on higher labor standards and protections. US companies are scrutinized by shareholders and may suffer reputational and litigation risks from cutting corners.

The United States also uses trade agreements to move other countries to raise their environmental standards and to better enforce existing laws. Trade agreements to which the United States is a party, including the US-Korea Free Trade Agreement, contain commitments that governments do not “encourage trade or investment by weakening or reducing the protections afforded in its environmental laws.”91 Similarly, the United States requires free trade partners to adopt, maintain, and implement laws and regulations to fulfill obligations under seven multilateral environmental agreements, including the Convention on Trade in Endangered Species, the Convention on the Conservation of the Antarctic, and the International Convention for the Regulation of Whaling.92

The US is currently showing economic leadership by pulling together a large group of countries willing to reduce tariffs on environmental goods that can support domestic efforts towards environmental conservation and reducing greenhouse gas emissions. At the APEC Summit in Vladivostok in 2012, the APEC economies agreed on a list of 54 environmental goods on which they would cut tariffs to 5 percent or less by the end of 2015. At the 2011 APEC meeting in Honolulu, APEC economies agreed to eliminate tariffs and other barriers to trade in environmental goods and services. And at the World Economic Forum in 2014, countries accounting for 86 percent of trade in environmental goods, including the US, the EU, China, South Korea, and Canada agreed to launch negotiations to reduce tariffs on environmental goods.

The negotiations, known as the Environmental Goods Agreement, were launched at the WTO General Council meeting in July 2014.93 The US is also a major producer of these goods, so outcomes will strengthen the capacity of other countries to address environmental challenges and lead to increased US exports of environmental goods.

Far from encouraging a race to the bottom, American involvement in the conduct and regulation of international trade ensures that labor and environmental standards are raised across the world. Whether or not standards have been raised quickly enough, or to the ideal extent, is up for debate. But it is clear that these issues would receive far less attention without American leadership.

On Supporting Human Rights and Democracy

Despite our strong history of success, Americans are asking hard questions about the value of international engagement. Many have come to believe that some of the most pressing international problems are simply beyond the ability of the United States to influence, either because they are ancient or intractable or because the US government is simply not competent
enough to address them. Those making the case for international engagement need to be able to answer the tough questions the American people are posing.

**Question:** Is the US imposing its values on other countries?
**Answer:** US leadership is not about imposing alien concepts on foreign peoples. Our international efforts work with people in other countries to achieve universal aspirations.

True, unelected leaders often claim that “their” people do not share America’s beliefs in basic human rights, political voice, and freedom.

But no one—whether in North Korea, Saudi Arabia, China, or the Middle East—wants to be tortured or to be a victim of discrimination or genocide. Dictatorial and radical leaders may act as if their people do not want freedom or empowerment. The powerful of some countries may claim that unequal treatment of women is a form of protection, not discrimination, or that their religion or other doctrines do not support the view that everyone should be entitled to equal rights. But despite such arguments, the people in those countries yearn for dignity no less than others. They should know America stands with them.

American international leadership is about helping people gain their freedom, dignity, and ability to fully realize their unique talents—not bullying them into adopting “American values.” We should make no apologies for supporting the universal rights that people yearn for around the world and that nearly every country has formally recognized in the form of the United Nations Charter, the Universal Declaration of Human Rights, the Covenant on Civil and Political Rights, and other international documents.

**Question:** We cannot seem to do much successfully overseas; why should we continue to act abroad when our competency to do so is questionable?
**Answer:** Recent setbacks present an opportunity to improve, not a reason to preclude future involvement.

It is true that we have had some major setbacks in recent years. But we have also had huge successes and have learned from the recent mistakes. We know how to intervene successfully on disease, on encouraging democracy, on helping to rebuild devastated economies. We do need to learn from these successful examples—and from our mistakes—to improve the ways we engage abroad. A mixture of serious mistakes combined with great successes is nothing new for US engagement abroad. Few today dispute that the United States made many serious mistakes in Vietnam. But over the decades that followed, a steadfast support for universal human rights and American leadership helped lead to the collapse of the repressive Soviet regime, the reintegration of Europe, and the growth of democracy throughout Latin America, Africa, and Asia. Although we have faced corruption and setbacks in our international aid, we have also catalyzed the eradication of smallpox, the near end of polio, a revolution in agriculture that some believe has saved more than a billion lives, and reductions in infant and mother mortality. We have helped recipients of our aid from Chile to Botswana move out of poverty.

We have had some high-profile problems and setbacks. But we have a strong and sustained track record overall of successfully helping scores of countries and millions of people around the world live happier, healthier lives.

**Question:** We are overly involved. Is it better to refrain from acting at all rather than risk acting stupidly?
**Answer:** America is like the elephant in the room—whether we stay still, take a step, or lie down, we affect where everyone else stands. Risk and costs are inherent whether we act or whether we do nothing.

Clearly, we should not act without forethought, just to show we are doing something, and sometimes it is wise to stay out of situations we cannot improve. But when we stay disengaged, bad actors often take advantage of our inaction, and problems worsen. When they get so bad that they directly affect our interests, we are forced to engage, but because we waited too long, we often are left with a far worse set of options. Where possible, it is better to take calibrated steps to shape options, rather than waiting until situations have gotten out of control and we are forced to intervene in far more difficult circumstances.
Question: Does America too often play the world’s policeman?
Answer: The US typically acts more like both a player and coach, playing an active part but also pulling other countries and organizations together and empowering them to accomplish shared goals. We should not do everything alone. We would not succeed if we tried. The US usually acts through a host of international organizations that bring together other countries, from the United Nations to the Organization of American States, NATO, the Organization for Security Cooperation in Europe, the World Bank, the IMF, and G7. From imposing global sanctions against Iran to rallying countries to cooperate in the fight against AIDS, America works in partnership with other nations to spread the costs of global leadership. In return, we gain vastly from a more stable, economically successful globe. That’s leadership.

Question: We need schools in Kansas, so why are we spending money in Kandahar?
Answer: It is false to think we must choose to either concentrate our efforts at home or engage overseas. We cannot expand America’s economy without growing markets overseas for our goods, when 95 percent of the world lives outside our borders. We do not have the luxury to ignore the hackers who cost our economy billions a year or to turn a blind eye to diseases that can also spread to the United States in this interconnected world.

We do need to invest here at home. America’s schools, roads, airports, and infrastructure should all be the best in the world, and that takes time, money, and focus. But America is neither weak nor poor. The United States and its allies still dominate the international economy and have enormous moral power and financial strength. But if we act weak and step back, the space will not be left empty. Some country will lead. Two other countries—China and Russia—seem to be vying for that position. Americans are unlikely to be happy if either of those states ends up running our world.
Notes


18. For example, see Dina Smeltz and Ivo Daalder with Craig Kafura, *Foreign Policy in the Age of Retrenchment: Results of the*


30. This effort marked an important step to addressing the challenges of tax havens and arbitrage, but additional reforms are needed. Pursuing comprehensive tax reform in the United States will strengthen US global leadership on these issues.


35. Ibid.


38. Ibid.


55. InterAction, Choose to Invest in Foreign Assistance, Fall 2011, www.interaction.org/sites/default/files/4857/ChooseToInvest_booklet_Complete.pdf.


77. United States Bureau of Economic Analysis, International Data, “Table 2.1. U.S. Trade in Services, by Type of Service,” www.bea.gov/iTable/index_ita.cfm.


92. Ibid., Article 20, Annex 20-A.

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The American Internationalism Project was born of a shared belief that the world is safer, freer and more prosperous when the United States chooses to lead. Many of the individuals listed here participated in crafting this report. As with any such effort, participation does not imply endorsement of every argument contained herein.

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Jon Kyl retired from Congress in January 2013 as the second-highest-ranking Republican senator. He advises companies on domestic and international policies that influence US and multinational businesses and assists corporate clients on tax, health care, defense, national security, and intellectual property matters, among issues.

Sen. Kyl sat on the powerful Senate Finance Committee, where he was the top Republican on the Subcommittee on Taxation and Internal Revenue Service Oversight. He also served as the ranking Republican on the Senate Judiciary Committee’s Subcommittee on Crime and Terrorism. A member of the Republican leadership for well over a decade, Sen. Kyl chaired the Senate Republican Policy Committee and the Senate Republican Conference before becoming Senate Republican whip.

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Doug Feith served as under secretary of defense for policy from July 2001 until August 2005. In that position, he helped devise the US government’s strategy for
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Robert Kagan is a senior fellow in the Project on International Order and Strategy in the Foreign Policy program at Brookings. He also serves as a member of the secretary of state’s foreign affairs policy board and is co-chairman of the bipartisan working group on Egypt. His most recent book is the *New York Times* best-seller *The World America Made* (Random House, 2012). He writes a monthly column on world affairs for the *Washington Post* and is a contributing editor at the *New Republic*. Mr. Kagan is listed by *Foreign Policy* magazine as one of the world’s “Top 100 Public Global Thinkers.” He served in the State Department from 1984 to 1988 as a member of the policy planning staff, as principal speechwriter for Secretary of State George P. Shultz, and as deputy for policy in the Bureau of Inter-American Affairs.

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Prosperity

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Principles of Freedom

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