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Populism and the American Century

ROK, Manshel Lecture, December 12, 2016

It is an honor to give this Manshel Lecture this evening in honor of Joseph S. Nye, whom I have known for almost half a century. I will begin with a few remarks about Joe, before focusing on my major theme: whether, in light of the populist turn in American politics, the “American Century” that he has both explained and celebrated, will continue.

Joe is a master of globalization. It seems to me that whenever we have an e-mail exchange, he is somewhere in Asia—Tokyo, Beijing, or Delhi. His wisdom is sought everywhere. No wonder that he is iconic at the Kennedy School—a great thinker who has access to the highest levels of government around the world. Long ago I joked that Joe Nye only gets jet lag when he stays in Cambridge.

But jetting around the world is not central to Joe’s identity. In some respects he is a peasant at heart—gradually expanding his eighteenth- and nineteenth-century farm—now forest—in Sandwich, New Hampshire. In others he is a woodsman. Let him take you on a hike on his property after the snow has just fallen. He will show you evidence of “nature red in tooth and claw” that you would probably not have noticed, and could not have interpreted, on your own.

I am not celebrating Joe’s peasant instincts or woodsmanship tonight. Instead, I am celebrating him as an analyst of world politics and offering him a challenge, to which he will have an opportunity to respond.

Joe's global status is not based on political maneuvering or trendy yet superficial discussions of world affairs, but on solid intellectual accomplishments. He was an early pioneer in pointing out the changes that were taking place in state-centered IR.

Throughout his career he has emphasized both the relevance of power to state and nonstate behavior in an era of globalization, and the varied, nuanced aspects of what we call power.

In his most sustained discussion of power, *The Future of Power*, published in 2011, Joe defines "relational power" as the ability to affect others, in a particular domain, and therefore to achieve one's preferred outcomes through: 1) the ability to affect others' preferences; 2) the ability to frame issues and shape agendas; and 3) the ability to get others to do what they would not otherwise do. The word, "ability," implies the other principle conceptualization of power—as resources rather than relationally. Joe uses this resource conception in analyzing American power and I will also do so today, since resources can be observed directly, whereas inferring a power relationship in any given situation requires a causal inference. If a set of resources has been shown in a variety of situations to be linked to the ability to affect outcomes, we can regard them, in general, as power resources. We have to be aware that converting such resources into actual relational power is always contextual; but as an approximation, viewing power in terms of resources makes identifying changes in power more feasible. When I discuss changes in United States power in this talk, therefore, I will be referring to power resources.

In this talk, I will revisit a question that Joe has asked in his work over the last twenty-five years: "Is the American century over?" Joe has given this question a consistently negative answer, and has recently, in a book with this title, extended his expected time frame for the American century to 2041. Before reaching this conclusion, Joe directly addressed the question that seems central to me: Will its internal cultural and political divisions decisively weaken the United States in world politics? He pointed

out that “culture wars could adversely affect American power if citizens become so distracted or divided by domestic battles over social and cultural issues that the United States loses the capacity to act collectively in foreign policy” (ACO: 73). But in his answer he claimed that “past culture battles over slavery, prohibition, McCarthyism, and civil rights were more serious than any of today’s issues” (ibid). He did not expect disruption of American power as a result of internal social divisions.

Joe’s answer seemed more plausible in 2015 than it does today, in light of the recent election in the United States. Perhaps he now agrees—we will soon see. At any rate, my rather gloomy thesis this afternoon is that we are moving toward a world in which American power will decline, in a process accelerated by the election of Donald Trump. The American century will soon be over. With this prospect in mind, I will conclude by asking about the role of multilateral institutions in world that lacks powerful American leadership.

Since I am as stunned as anyone about the events of recent months, I do not claim to provide definitive answers. I hope, however, to stimulate our conversation about the dramatic and disturbing political changes taking place in the world. I will first briefly discuss populism, since populism seems to me to be shifting the contours of contemporary world politics. I will then assess likely shifts in American power as a result of the election of President Trump, arguing that for the first time we can glimpse the end, ahead of us, of American hegemony. At the end I will briefly reflect on the role of multilateral institutions after the American century is over.

I. Populism, Globalization, and Interdependence

What do I mean by “populism”? The crucial identifying mark of populism, as I define it, following my colleague Jan-Werner Mueller, is the belief of people comprising the populist movement that there is an authentic “people” whose ability to shape their own

destiny politically is obstructed by self-serving elites manipulating complex political institutions. Such a belief makes these people receptive to emerging political leaders who claim, whether on the Left or the Right, to represent the authentic voice of the people. These leaders claim either that they listen to the people or intuit their views—and then they serve as an amplifier, sharing these views with others. In Huey Long’s day the medium was radio; for Donald Trump it is Twitter. Social media are wonderful tools for populists since they bypass elite gatekeepers and enable populist leaders to speak directly to their followers.

The populist leader is in direct contact with “the people,” and is therefore authentic, whatever his or her other characteristics. Attacks on Donald Trump or Marine Le Pen only make such leaders seem more authentic to their followers, proving that malign elites oppose them. Indeed, there is a danger that populism will become antipluralistic, turning against institutions that seem to thwart the popular will. Democracy to populists means following the will of the people, even if that will challenges long-maintained practices and even rights. When Erdogan in Turkey imprisons hundreds of journalists merely for criticizing his regime, he claims to do so in the interests of the real people of Turkey, his followers—not in the interests of an abstract ideology such as socialism or communism or simply to ensure continuation of his authoritarian rule.

Populism is opposed to cosmopolitanism and globalization. The prime minister of the United Kingdom was appealing to populists in her country when she declared this year that anyone who claims to be a citizen of the world is a citizen of nowhere. Populism is generally opposed to immigration, since it views “the people” as people with a common language who have long inhabited a particular territory and have therefore traditionally constituted the nation. It is clear that in contemporary Europe and the United States, populism is fueled by fear of immigration. Strikingly, Japan, which experiences little immigration, does not have a populist movement.

Unlike Nazism and fascism, populism is not necessarily militarily aggressive. Mueller points to Venezuela under Chavez as a populist regime that was not aggressive. In the recent US campaign for president, it was Donald Trump who accused his opponent of being too aggressive militarily—supporting the 2003 attack on Iraq, advocating a no-fly zone in Syria, and refusing to work more effectively with Vladimir Putin’s Russia.

Populism is a contested concept and I do not claim to be providing an authoritative definition. But now you know what I mean when I claim that populism is a threat to global interdependence and to multilateral institutions—that is, to globalization.

One of the ironies of populism’s challenge to globalization is that on a worldwide basis, globalization has been an equalizing force. People in formerly poor countries that opened themselves to the outside world—most notably, China and India—have been its biggest beneficiaries. Global inequality has fallen dramatically. If there were a world polity with elections, and people voted according to their economic interests, the global governors would have good odds of being re-elected. But inequality has increased in the West. Working-class people engaged in manufacturing industries in the developed countries of the OECD have seen their incomes stagnate and their future prospects dim. How much of this effect is due to technological change as opposed to globalization is not entirely clear, but from a political standpoint this is not important. The stagnation or even retrogression of income and status are.

One way to view our current situation is to view it through Karl Marx’s insights about modes of production. Marx thought that all modes of production eventually generate contradictions that destroy the superstructures that rest on them. He expected that capitalism would be destroyed by a revolutionary working class that it brought into being. This expectation was wrong. But we can interpret current populist opposition to globalization as suggesting that another contradiction has appeared. This is the contradiction between the enormous forces of productivity unleashed by global

capitalism, on the one hand, and the losses suffered by masses of people in democracies, on the other. This contradiction would not pose such a systemic problem except for the fact that the losers have the capacity to vote against the operation of the system, which they see as having been manipulated by elites at their expense.

Those of us who have celebrated as well as analyzed globalization share some responsibility for the rise of populism. We demonstrated that an institutional infrastructure was needed to facilitate globalization, but this infrastructure was constructed by and for economic elites. They pursued a path of action favored by academics such as Joe and myself, building multilateral institutions to promote cooperation, but they built these institutions in a biased way. Global finance and global business had a privileged status, and there was little regard for the interests of ordinary workers. World Trade Organization rules emphasized openness and discouraged measures to create what John Ruggie has called “embedded” liberalism, which would cushion the effects of globalization on those disadvantaged by it. The multilateral and bilateral investment treaties of the 1990s incorporated provisions that could be exploited by corporate lawyers to oppose health and safety regulation by developing countries that paralleled long-standing measures by OECD countries. Most outrageous was the campaign by Philip Morris to use the provisions of bilateral investment treaties to sue against health warnings on cigarette packages—suits that this tobacco company has fortunately lost.

We did not pay enough attention as global capitalism hijacked complex interdependence. There were multiple actors and multiple channels of contact, but overwhelmingly these were business actors and their connections ran both to each other and with governments. Ordinary people were left out.

It will be evident to this audience that my analysis of populism is quite superficial. I only discuss it since in my interpretation, the rise of populism is likely to have profound

effects on American power. We need a more sustained and research-based analysis of populism in political science, since we do not fully understand how the combination of social media, large-scale immigration, and economic imbalances and inequality produced by globalization have come together in this witches' brew. Let us hope that the Weatherhead Center for International Affairs will be a leader in generating such research.

Now I turn to the principal question of this talk: In the light of American populism, is the American century over?

II. Is the American Century Over?

Joseph S. Nye made his first striking entry into the debate on American power in 1990 in response to Paul Kennedy's book on *The Rise and Fall of the Great Powers*. In *Bound to Lead*, Joe argued that "American leadership is likely to continue well into the next century." [1] Kennedy's forecast of American decline may have sold more books at the end of the 1980s; however, Joe was the clear winner of this debate. But as I said at the outset of this talk, it seems to me that the likely answer to this question has changed. None of us anticipated Donald Trump and the rise of populism in America, and we now have to revise our forecasts.

Joe focused in *The Future of Power* on three forms of power: military power, economic power, and soft power. I agree that military power, economic power, and soft power are all important. As I noted earlier, I will focus here on the resources on which attempts to exercise power rely and I will add two categories: *internal coherence and sense of social purpose*, and *network centrality*. Military power and economic power depend on material and organizational advantages, which confer on their possessors the ability to affect outcomes. They depend on "what one has." Joe defines the sources of soft power as the attractiveness of one's own society and values to others, which can contribute to

persuasiveness and to the ability to elicit “positive attraction in order to obtain preferred outcomes.” That is, soft power is conferred by “what one is.”

Internal coherence and sense of social purpose also concerns “what one is,” but our focus in deploying these concepts is on a country’s internal situation rather than how it projects itself onto the world. Internal coherence and sense of social purpose profoundly condition the willingness and ability of countries to act coherently in foreign policy.

Think, for example, of the defeat of France in 1940, which was less a result of inferior material resources than of a collapse in internal coherence.

Finally, network centrality means being at the center of the international regimes that govern globalization, and therefore being a “rule-maker” rather than a “rule-taker.” This form of power is conferred by “where one is.”

I will ask: What are the implications for each of these sources of American power of populism, not only in the United States but elsewhere? In making this assessment, I will begin with some contentions about power shifts that appear to be occurring independent of populism, then move to a preliminary assessment of the impact of populism and the prospective effects of a Trump presidency.

If one only looked at the material positions of the United States and its principal rivals for power in world politics—China and Russia—power shifts would seem to be relatively modest. China is growing more rapidly than the United States, making it less asymmetrically dependent on the United States than it was one or two decades ago, but Russia is facing economic stagnation if not decline. America’s European and Japanese allies are doing less well than the United States, which would marginally weaken the US position.

Recently, and especially during the last year, we observe more striking changes in internal coherence and sense of social purpose. During the 1990s Russia lost both coherence and sense of social purpose; in that same decade, China's Communist Party was seeking to regain both coherence and social purpose in the wake of the Tiananmen Square massacres of 1989. It appears that under Putin, Russia now has regained internal coherence around President Putin's nationalist and authoritarian vision. China's economic success, bringing hundreds of millions of people out of poverty, has helped the Communist Party both to regain legitimacy and to support a more ambitious foreign policy. China's "One Belt, One Road" initiative and its efforts to secure dominance of the South China Sea are the foreign policy expressions for our time of China's vision of itself as at the center of greater Asian politics.

Until very recently, Europe had a clear sense of coherence and social purpose: "Toward a more perfect Union." Immigration and the populist reaction to it have fundamentally changed this situation. Brexit is accompanied by the rapid rise of anti-EU populism not only in eastern Europe but in France and Italy—formerly stalwarts of European integration, of which Joe has long been a student. These populists are much more willing than proponents of a strong EU to make accommodations with Russia that eschew attempts to foster liberal democracy in Ukraine and other countries that were historically part of Russia.

These changes are the result of widespread populism—and, it appears, of similar forces to those that have propelled Donald Trump to the American presidency. They are not the results of Trump's election. Adverse shifts away from the American century were already underway before November 8.

Now I turn to the "Trump effect." My core argument is that on balance, far from "making America great again," Trump's proposals will damage some key sources of American power—and in particular, the sources of power that Joe's work has helped us

understand. This analysis may therefore lead us—and perhaps Joe—to reassess his forecast about the durability of the American century.

Let us begin with military power. Trump has promised to expand funding for the American military, but the American military is already the strongest in the world. We know that force does not necessarily generate power. The *shadow* of force can generate power, if its wielder pursues a sustainable policy in a credible and consistent way, as the United States did in Europe throughout the Cold War. That is, credible and consistent policy is a power resource, essential for directing force. Credibility and consistency, however, are not hallmarks of Donald Trump's approach to policy. Instead, he seems to thrive on unpredictability, enjoying generating uncertainty. A President Trump would almost certainly speak loudly, but how he will act is difficult to predict. However, he does not seem prepared to develop strategies that translate US command of military force into effective American power.

The effect of a Trump administration on American economic power is harder to evaluate. Trump's proposed fiscal stimulus may generate faster economic growth and capital inflows. Trump's America is likely to become even more central to financial networks as a result of Brexit, which may drive finance away from the City of London and reinforce the position of New York. If Donald Trump's tough trade bargaining with China and Mexico enhances American bargaining power with other states, his administration could help on the margin to revive US industrial capacity as well, although these measures are unlikely to have strong systemic effects.

On the other hand, the termination of TPP will reduce US influence in East Asia. Trump's tax and regulatory policies could generate capital inflows and a corresponding increase in the trade deficit. Or his huge projected deficits could generate inflation and a subsequent recession in response to anti-inflationary monetary tightening. As Joe has pointed out, immigration is a source of American economic strength, so constraining

immigration will have negative effects. Macroeconomic forecasting is not reliable in a turbulent world so my net evaluation of the impact of Trump's election for American economic power is ambiguous.

When we turn to soft power, the picture darkens. Populism at home will damage US soft power by reducing the attractiveness of American society and the ideals that it represents. A movement that came to power by bashing foreigners, criticizing American alliances, and opposing trade and immigration can hardly expect to appeal to people in the rest of the world. Trump's opposition to the Paris Accord exemplifies his dismissive attitude, so far, toward the views of others—and he has already been warned by no less than China and Saudi Arabia not to renege on the agreement. Indeed, China is clearly positioning itself to be a “soft power” leader on climate change as well as the promotion of trade openness. They have learned from Joe's trips to Beijing!

American ethnic diversity is also a soft power strength. We look more like many other countries than we would were we a country dominated by white people—which the US was before the Immigration Act of 1965 and the civil rights and black power movements. Donald Trump's populism cannot reverse this diversity but it is setting itself up in opposition to it, and seeking to slow down America's demographic shifts by restricting immigration. As I noted, restricting immigration will have economic costs and therefore implications for economic power; but I think that its major impact on US power will be on American soft power. Judging from Joe's discussion of this issue in *The Future of Power*, he agrees. An America that rejected diversity would be less appealing to the rest of the world and less persuasive to others.

My fourth dimension of power is network centrality. Joe has explicitly recognized the importance of network centrality: as he says in *The Future of Power*, “centrality in networks can be a source of power” (217). In my view, it is even more important than his analysis suggests. What Susan Strange called “structural power” is best exemplified

by network centrality. I hope that in Joe's next brilliant work on power it is given a more prominent position.

In the short run, we may observe an increase in US financial centrality as a result of Trump's deregulatory policies and the impact of Brexit on the City of London. But on the whole, including network centrality as a major dimension of power reinforces the negative implications of populism for American power. Throughout the last seventy years, the ability of the United States to achieve its purposes has been vastly enhanced by its leadership in multilateral organizations, including the United Nations, the World Bank and IMF, and the World Trade Organization. Our core values and interests are embedded in scores of international regimes. When United States priorities changed—at the beginning and end of the Cold War, and in the wake of 9/11—it could use and reorient these institutions because they played crucial roles in international cooperation and the United States was central to them. If a Trump presidency devalues American participation in multilateral institutions, American power will decline.

We can see evidence of the importance of network centrality from China's response to the prospect of a Trump presidency. During the last month China has moved swiftly to assert leadership on climate change policy, and on trade. Expectations that a Trump administration could oppose the Paris Agreement have led the Chinese to make explicit statements about its importance, implicitly asserting their willingness to take leadership if the United States pulls back. Even more clearly, the Chinese push for a broad free trade area in the Pacific—including the United States—has gained momentum with the prospective collapse of the Trans-Pacific Partnership after the election. Since economics and security are tightly linked, a further erosion of the US strategic position in the South China Sea—already weakening before the election—can be expected. It seems to me that China's recent initiatives, including the Asian Infrastructure Investment Bank and "One Belt, One Road" indicate that it aspires not to world dominance but to network centrality. A world in which China was at the core of major

world networks would be profoundly different from the world in which Joe's generation and mine has worked.

My fifth and final dimension of power refers to a society's coherence and sense of social purpose. I believe that most members of the American elite have taken coherence and sense of social purpose for granted since the Second World War. Internally, America was seen as becoming more coherent, as a result of the civil rights movement and its extension to other formerly disadvantaged groups, including women. Externally, the United States had a mission: to protect "the free world" during the Cold War, then to advance human rights and democracy worldwide. The contrast during the 1990s between American and European sense of mission and the lack of a lack of social purpose in Russia and China is, in retrospect, striking.

As Robert Putnam has shown, America's social coherence has been in decline for forty years. In 2016, populism has shattered what remained of this social coherence by removing cosmopolitan elites from governmental power. It has therefore seriously jeopardized the American sense of mission in the world. No longer does the United States hold an advantage over its rivals on the basis of internal coherence and sense of social purpose. Chinese and Russian coherence have risen, while that of the United States and Europe has fallen.

If the policies that Donald J. Trump proclaimed during his campaign are indeed carried out, we can expect a decline in American power. Lack of a sophisticated strategy to convert force to power will nullify any gains from increased force-capacity as a result of increases in military spending. Any temporary gains in economic power are likely to be outweighed by rapid erosion of our soft power, a continued decline in our social coherence, and challenges to our network centrality.

If a negative power shift indeed takes place, we will understand better the intangible sources of power, which are crucially important but overlooked by people whose conceptualization of power is cruder than Joe's. American network centrality, and therefore American power—soft and hard—has rested on a foundation of internal coherence and sense of purpose—intangible assets only maintained if we keep making investments in them. It is these intangible assets, as well as on more tangible economic and military assets, on which the American century has relied.

A less coherent and purposeful United States will have less soft power and network centrality, and will therefore relegate itself to a less powerful position in the world. We will be then be looking back not a full American century but at the American three-quarters century, coinciding with my life so far. As we look back, we will see that American power rests on what we are and where we are, not merely on what we have, yet it may be impossible to recapture what has been lost. Once again, the Owl of Minerva will fly at dusk.

III. The Role of Multilateral Institutions after the American Century

Joe and I have spent our careers studying multilateral institutions—formal international organizations, international regimes, and informal organizations. We have done so in the context of the American century, or partial-century. So a background condition for our analyses has been American hegemony. We have pointed out how international institutions help states to cooperate under conditions of complex interdependence, and how the United States presence at the center of these institutions has served America's interests. United States leadership in multilateral institutions has shaped these institutions, and the institutions have facilitated the mutual adjustment of American and other countries' policies.

In this lecture I have suggested that we are now moving into a very different world, one in which the United States will no longer be hegemonic in the sense that it has the capacity to make and enforce rules that are generally followed throughout most of the global political economy. Other powerful states may be the key rule-makers in certain geographical areas, or on particular issues. The exercise of US power through global institutions will be less important. I want to ask, in conclusion, what role multilateral institutions will have in such a world.

We would not expect such institutions to be as comprehensive or coherent as the major postwar economic institutions—the IMF, World Bank, and WTO. There will be more contestation within these organizations and greater inclinations toward exit—creating new development banks or regional trading arrangements. Global regimes will continue to fragment into what we now call “regime complexes,” with diverse and overlapping institutional arrangements setting rules in the same issue-area. Coherent rules will become even harder to make and to enforce. Political scientists will become less obsessed with compliance and noncompliance with international rules because there will be fewer rules to comply with and less prospect of compliance.

The unresolved question in my mind is whether the core functions of multilateral institutions—to promote cooperation through reducing uncertainty and transaction costs—will remain valid in a more fragmented world, lacking strong American leadership. In such a world, the United States will have to adjust more to others’ preferences unless it wants even further to lose influence and relevance. Multilateral institutions could retain their relevance more as locales for mutual adjustment—like the Concert of Europe—and less as sites of joint decision making. Westphalian sovereignty will be less challenged: there will be fewer external authority structures imposed by multilateralism on domestic societies. As a result, interdependence will become harder to manage—more conflicts will occur over it—and in some areas of human life, such as trade, it will probably decline.

In a world without the possibility of warfare, contagious disease, or the likelihood of highly damaging climate change, we could perhaps be sanguine about declines in our ability to regulate economic interdependence and therefore to sustain it. For rich societies in which technology is rapidly advancing, some efficiency losses could be quite bearable. Unfortunately, war remains possible, so the uncertainty-reducing tasks of multilateral institutions will, in a more fragmented world, become even more important than in the recent past. It will also be essential to maintain some capacity of these organizations for joint policy making in areas where the consequences of unregulated human action are especially malign, such as disease and climate change. So we cannot contemplate their decline with equanimity.

One of the many threats of contemporary populism is that it will not only constrain multilateral institutions—this seems inevitable—but undermine them. An urgent task for the next generation of scholars and practitioners of world politics is to figure out how, within the context of nationalism, populism, and increasing power fragmentation, multilateral institutions can reconfigure themselves to retain their relevance and their capacity for promoting human welfare. Here is another task for the Weatherhead Center for International Affairs.

As they undertake this difficult task, these scholars and practitioners will find valuable conceptual resources in the work of Joseph S. Nye. They can also find inspiration in his career. Joe has combined analytical originality and conceptual sophistication with a clear understanding of how to think and write about policy issues in accessible and politically relevant ways. The author of the concept of “soft power” is an exemplar for the next generation, as well as for those of us in his own.

Thank you for listening. Now it is Joe’s turn to respond.

[1] *Bound to Lead*, p. 22.