



Superpower

JOHN MAULDIN | May 20, 2015

Ian Bremmer's new book on the future of the US and geopolitics, *Superpower*, just hit the streets yesterday, and it's already creating quite a buzz. It draws on Bremmer's remarkable understanding of politics, America, and the world. I first ran into Ian at a conference about four years ago, where he was the after-dinner keynote speaker. It was one of those dinners where I had to go (I had spoken earlier), and I confess I had no knowledge of Ian other than his official bio. A professor of geopolitics. From New York. So this Texas boy settled in while Ian walked on stage ... and in three seconds I realized that this was an uber-nerd. Total geek. Seriously, when Hollywood wants to type cast a brilliant super-nerd, they should use Ian as the model. He hit all my stereotype buttons, and I of all people should know better.

Now I know, you're saying it takes a nerd to know a nerd, and I do get that. But within five minutes, this nebbish professor was blowing me away. I was totally captivated. He took me on a trip through the geopolitical landscape as profound as any I had ever been on. I knew that I had to have him at my own conference, and he has been a featured speaker and crowd favorite there for the past three years.

Ian gave one of the most compelling presentations at our most recent Strategic Investment Conference. No fancy Powerpoint, just one machine-gun idea after another, strung together in what I now realize is his own carefully crafted style.

As I shared with you in *Thoughts from the Frontline* last week, Ian's summary of the geopolitical situation and America's role in managing it can be expressed in two words: it's bad.

The US is not in decline, he asserts in today's *Outside the Box*, citing "the strength of the dollar, US equity markets, employment levels and the economic rebound, the energy and food revolutions, and generation after generation of technological innovation"; but America's foreign policy and international influence are most certainly in decline. Nevertheless, no other country can even come close to claiming superpower status, so the role the US chooses to play in the world remains of paramount importance.

For the past quarter-century, says Ian, our leaders have just been winging it:

From the fall of the Wall and Soviet collapse, US presidents of both parties have defined America's mission in terms of tactics. US foreign policy has been reactive and improvisational for 25 years. And we can no longer identify a Democratic or Republican approach to foreign policy.

That's where we, the American public, come in. We will have a national election in a year and a half, and our foreign policy needs to be front and center in the national conversation until then. To help us think about how we want to be in the world, in *Superpower* Ian offers three dramatically different foreign policy alternatives, which he outlines in today's OTB. As I read Ian's book, there was, I confess, an attraction to each elemental strategy.

I remember being at the Naval War College a few years ago, where [Andrew Marshall](#) of the Office of Net Assessment (the premier Defense Department think tank) assigned one group to split up into three and adopt radically different views of what US strategy should be vis-à-vis China. These were serious thinkers from a wide variety of fields, and they spent over a week developing their arguments. Andy was kind enough to let me sit in on the final presentations and discussion at the end of the week. I found myself nodding as each presentation was rolled out, but at the conclusion I noticed that what I had thought was the most illogical position at the beginning (a nearly total military disengagement from Asia and a renewed focus on our borders and defense) made a great deal of sense. It gave me a great deal to think about.

That is the same feeling I had when I read Ian's book. Each strategy will have its proponents, and all have their own logic; but that is why we need to have this national discussion. Rather than responding to events tactically, we need to have a national strategy. What is in the real interest of the world's dominant power? Most of us can agree that the last 20 years has seen a mishmash of US actions that in hindsight we might want to change.

Which path forward does Ian prefer? He's not going to tell us until the final chapter of the book, he says, but he makes as forceful a case as he can for each of the three choices, and he believes that each is viable. He adds, "I hope this book will help set the stage for a serious-minded, constructive debate among the candidates in 2016."

Now, you can actually see this policy debate taking shape as the various candidates (on both sides) lay out their views of the future role of the US in the world.

I seriously urge you to get this book. Just like Ian's speaking style, it is easy and mesmerizing. It is the opposite of nerdy. There is a reason that the company he founded, the Eurasia Group, is perhaps the largest geopolitical strategy think tank in the world and that his rather pricey service is subscribed to by Fortune 1000 companies and global funds. Ian is one of the most insider-connected guys I know. He literally got up from a dinner one night a few years ago with "the guys" in NYC, apologizing that he had to leave because Japanese President Abe was in town and wanted to see him. I am going to get together with him in a few weeks when I'm in NYC. I think I'll ask who's on his speed dial.

Get [Superpower](#) and read it. Click on the link if you are an online guy, or get to your bookstore. It will be there.

I am on yet another plane, flying from Raleigh to Atlanta to attend a board meeting for Galection Therapeutics (GALT) for the next day and a half before I head back to Dallas. I guess it's geopolitical week for me, as my old friends George and Meredith Friedman will be over for dinner Friday night. George delivered his own power speech at my conference. I look forward to being able to get both George and Ian's speeches up on the web for you as soon as possible.

I have spent four fabulous nights at the Umstead Hotel just outside of Raleigh. It's one of the finest hotels I have been in anywhere. And even better was being with a group of friends and getting to have long serious conversations with Mark Yusko, Raoul Pal, and Kyle Bass and catching up with Dennis Gartman. Long days but really good ones.

And as I hit the send button – just so you’ll know that I don’t think being a nerd is a problem – let’s remember the answer to the old question: “What do you call a nerd after five years on the job?”

“Boss.”

And now, let’s enjoy Ian’s intro to his book that he sent to his clients this week.

Your proud of being a geek analyst,



John Mauldin, Editor
Outside the Box

Superpower

By Ian Bremmer

President Obama hosts a Gulf security summit, and most Arab leaders decide not to attend. Israeli Prime Minister Netanyahu comes to Washington to address Congress on Iran over protests from the president. Britain ignores pleas from the United States and becomes a founding member of the China-led Asian Infrastructure Investment Bank, a potential competitor for the World Bank. The Obama administration gripes that the Brits are pandering to the Chinese. Russia’s Putin, like Syria’s Assad, strides across American redlines with little consequence. Beijing and Moscow announce joint military exercises... in the Mediterranean. NATO ally Turkey turns to China for new defense equipment. The Dutch go to Huawei for internet security.

These are not random events. What’s going on?

America is *not* in decline. Look to the strength of the dollar, US equity markets, employment levels and the economic rebound, the energy and food revolutions, and generation after generation of technological innovation. But America’s foreign policy and its international influence most certainly *is* in decline. Superpower or not, too many countries now have the power and self-confidence to say no to US plans.

Globalization and an Americanization of the world once moved in lockstep. No longer. Globalization is accelerating; ideas, information, people, money, goods, and services cross borders at an unprecedented pace, but the Americanization of values, standards, political and economic systems, and international architecture is eroding.

I take this as the starting point for my new book (out tomorrow!). It’s called “Superpower: Three choices for America’s role in the world.” For this week’s update, I’d like to outline my key arguments for you.

Superpower

I called the book “Superpower” because, despite all the challenges facing American foreign policy—geopolitical creative destruction and the g-zero world—the United States remains the world’s only superpower and will for the foreseeable future. That means that America is the only country with the political, economic, and military muscle to persuade governments in every region of the world to take actions they wouldn’t otherwise take. That’s a working definition for the global projection of power. Over the next decade, the absolute size of China’s economy will probably surpass America’s, but militarily, technologically, diplomatically, and culturally, China cannot compete with the Americans. No other country comes close.

But most Americans don’t want their government to project power as it has in past decades. A \$3 trillion price tag for ill-conceived wars and occupations in Iraq and Afghanistan hasn’t helped. Revolutions in energy and food production ease both US dependence on imports and Washington’s need to partner with potentially unstable countries in unstable parts of the world. A hollowing out of the American middle class has helped persuade a growing contingent of Americans that their country doesn’t benefit from globalization. New tools of coercive diplomacy—cyber-surveillance and attack, drones, and the weaponization of finance—relieve US dependence on partnerships and alliances. US allies are losing leverage in their respective regions, and their governments are preoccupied on domestic challenges. America needs Europe less, most of Europe feels the same about America, and the transatlantic relationship, the bedrock of the post-war order, is weaker than at any time in decades.

And so America faces an identity crisis. Americans—voters and leaders alike—know what they don’t want: they don’t want America to play global policeman; they don’t want to try to rebuild the Middle East; they don’t want to sacrifice troops and taxpayer dollars to make the world safe for democracy. But what *do* they want? What does America stand for? What’s all that superpower for? Americans don’t know. US allies and enemies don’t either. This has become the world’s biggest geopolitical question mark.

* * *

Enter the candidates. As the 2016 presidential election takes shape, foreign policy has re-entered the national conversation. The US economy is growing, sidelining a central political issue. Most Americans are tired of partisan hand-to-hand combat over healthcare. President Obama’s approval ratings are weakest on foreign policy. Hillary Clinton, the prohibitive favorite to win the Democratic nomination, is Obama’s former secretary of state. For both these reasons, republicans see Obama foreign policy as a promising political target. GOP candidates, from Jeb Bush to Marco Rubio and Chris Christie to Rand Paul—have lined up for a turn at bat.

But the lack of a coherent US foreign policy strategy didn’t begin with Barack Obama—though his second term struggles have made the problem more painfully obvious. From the fall of the Wall and Soviet collapse, US presidents of both parties have defined America’s mission in terms of tactics. US foreign policy has been reactive and improvisational for 25 years. And we can no longer identify a Democratic or Republican approach to foreign policy. There are now hawks, doves, and civil libertarians within both parties. Those hoping to understand their own policy preferences by falling back on party loyalty have some thinking to do.

In short, it's high time to reconsider America's role in the world. In "superpower," I offer three dramatically different alternatives. And though I have a preference, which I argue for in the conclusion, I believe each is a conceivable option. What's not workable is continuing to blunder forward reactively without a strategy. That's the fourth option, and it's by far the worst.

It's foolish to think that the world's only superpower has only one viable path forward. I've made as forceful a case as I can for each of the three choices to challenge the reader to decide, and I hope this book will help set the stage for a serious-minded, constructive debate among the candidates in 2016.

Here are the three choices. Each gets its own book chapter:

Indispensable America

This one will be the most familiar to readers. We live in a profoundly interconnected world. No, America shouldn't play the global cop, but if America doesn't lead, nobody else will either. International wildfires will burn out of control. More Middle East states will fail, and terrorism will metastasize. Russian revisionism will threaten Europe and beyond. China will use its growing economic influence to expand its political leverage, undermining structures and standards created by advanced industrial democracies to strengthen individual liberty and free market capitalism.

These values, which have benefitted both developed and developing nations, are increasingly under threat. The United States must actively defend and promote those values. That means using every available tool of American power to bolster alliances with capable and like-minded partners. It means buttressing weakened international institutions. It means that in our interconnected world, America must develop and maintain a coherent and comprehensive global foreign policy strategy.

We can have no illusions that indispensable America will deliver quick and easy wins, that enemies will cower before American determination, or that longstanding allies will always follow America's lead. Washington can't topple every tyrant. But that's all the more reason to take a stand. It's not enough to undermine Syria's Assad; America must help empower Syria's citizens to build a stable and prosperous country. Answer Russian aggression and support Ukraine's sovereignty to ensure that the Kremlin has no illusions that it can move onto NATO allies. Stand by traditional allies in the Middle East—Israel and the Gulf states—and don't make any deal with Iran that depends on the honesty and good will of its leaders. Engage China, but contain its expansionist ambitions, including in the South China Sea. And do everything possible to empower China's people to build irresistible momentum for political change inside their country.

If Americans learned nothing else from 9/11, it's that Washington can't afford to ignore emerging threats in faraway places. The world has become an increasingly dangerous place. There is important work to be done, and no one, not even the sole superpower can do it alone. But a volatile world needs leadership. For all its faults, who but America can lead?

Moneyball America

I take the idea of Moneyball America from Michael Lewis's groundbreaking book on Oakland A's general manager Billy Beane, who revolutionized the way in which winning baseball franchises are built. Without sentiment, he swept away old rules and conventional wisdom to focus on relentlessly rational results-oriented management. The A's didn't have the money of those damn Yankees, but by spending scarce capital only where it offered the most promising return, they found they didn't need it. A champion of Moneyball America is less interested in promoting America's values than in enhancing America's value. Don't waste money and lives to sell ideas that leaders in China, Russia, and the Middle East are easily able to ignore.

The pivot to Asia—a true pivot, where turning to Asia means turning away from something else—offers a prime example of shrewd moneyball thinking. Build commercial and security ties in the heart of the world's most economically dynamic region. Spend no time or political capital on selling a peace plan that Israelis and Palestinians don't want, and balance traditional ties with Gulf Arabs with a more pragmatic relationship with Iran, a country and market that offer America future opportunities that others in the region can't match. Share technology and information with allies, but let them assume greater responsibility for their own security. Never fight a war to defend a principle. Where terrorism directly threatens American lives, fight to win.

The world is becoming a more challenging and competitive place. All the more reason to invest our human and material capital wisely. With a clear head and a sharp pencil, moneyball offers a path forward that all Americans can profit from.

Independent America

American values matter only if Americans live up to them at home. Washington can't bribe, bully, or blackmail China (or other authoritarian states) into an embrace of liberal free-market democracy. Americans don't have that kind of power. US allies and enemies know this, and both are banking on a more multipolar world—and a more balanced global economy. Many Americans now accept that a stronger will, deeper insight, and deeper pockets will not help Washington reshape the world as it would like. No nation, not even the sole superpower, can consistently get what it wants in a world where so many other governments can shrug off US pressure.

Those who advocate independent America recognize that all those global challenges are far more dangerous and damaging for other countries than they are at home. Terrorism is a much greater threat for the Middle East, Europe, and Russia than for the United States. The conflict in Ukraine has little bearing on US security or prosperity. Instability in energy-producing countries is less relevant for increasingly energy-rich America than at any time since the 1960s. China's expansion matters far more for China's neighbors than for the United States. In fact, a more volatile world highlights the strength, stability, and resilience of US markets.

America must lead, but mainly by example. Its tremendous resource, demographic, and technological advantages—and the advantage of its position between Mexico, Canada, and two vast oceans—will be enhanced by committed investment in the nation's crumbling infrastructure: bridges, railways (clearly), highways, ports, and schools. Leading by example also means open borders, welcoming more of the world's growing number of refugees, and more trade.

An America that declares its independence from the responsibility to solve other people's problems must ask allies to do more in exchange for continued US investment in global public goods. NATO can survive only if other members bear more of its costs and risks. Let Europe manage relations with Russia as it chooses. Cut a deal with Iran that reduces US involvement in the region's conflicts. Recognize that decisions made in Beijing, not in Washington, will determine whether China sinks or swims. Most importantly, invest the savings to build a secure, dynamic, and prosperous America that others want to emulate.

2016

The 2016 presidential season offers a crucial opportunity to force this debate. Candidates are beginning to test these issues. Far from the 2012 Obama-Romney foreign policy debate, which spent way too much time on the Benghazi scandal and not nearly enough on anything else, we can hope for a more serious exchange this time around. No more bromides about how America must lead without explaining why, how, and to where—with attention to the all-important details.

As secretary of state, Hillary Clinton seemed to embrace the moneyball approach. Think of the Asia pivot, “economic statecraft,” support for the transpacific partnership, an end to war in Iraq and Afghanistan, and a reset with Russia—all while avoiding intractable issues like the Israeli-Palestinian peace process. These choices demonstrated a willingness to prioritize low-risk, high-reward projects over those that came with high costs, high risks, or the near-certainty of wasted time and political capital. But as a presidential candidate, her rhetoric has veered toward the more familiar campaign terrain of indispensable America. She has downplayed the Russia reset and distanced herself from the Iran deal and President Obama's non-intervention in Syria. She's also incorporated an element of populism that leads to foreign policy incoherence, by refusing to take sides on TPP [Trans-Pacific Partnership].

On the other side of the spectrum, Senator Rand Paul has been the most overt advocate for independent America. His adamant opposition to the use of drones and cyber-surveillance, and his consistent rejection of costly military engagement in most places sets him apart in a crowded Republican field. But, hedging his bets, even Paul has, in recent speeches, been drifting toward moneyball.

Jeb Bush has been opaque, and he's never held a national office that would give him a foreign policy voting record. He's hit a few moneyball notes, but his determination to defend his brother's foreign policy—and the decision to engage many of his brother's advisors—clouds the issue. Marco Rubio has been the most thoughtful and articulate advocate for indispensable America. Chris Christie is also working to align with that position. Scott Walker doesn't yet have a foreign policy, he acknowledges his lack of experience on these issues and the need to do some homework. That's surely the case for others as well.

America needs this debate. Without a coherent foreign policy strategy, the next botched response to a bolt-from-the-blue crisis—a next generation 9/11, a cyber fight with Russia, or an economic flareup with the Chinese—will prove much more costly, for Americans and for others. The terrorist attacks on 9/11 came when American foreign policy influence was at its height; the next geopolitical convulsion will come in a dramatically different context.

That's the argument in a nutshell. Which choice comes closest to my own view? I won't tip my hand here, but I hope you'll do some serious thinking about which one you would choose. After all, I wrote the book to challenge readers to reach their own conclusions. My goal is not to persuade you that my opinion is right but to provoke a debate that can benefit all of us—Americans and everyone else. I honestly didn't know which option I would favor until I'd finished writing all three. It's a tough decision, and one that I think everyone should consider with an open mind.

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