
Executive Summary

Ready to **Lead?**

Rethinking America's Role in a Changed World

A Chatham House Report

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A changed world

During his inaugural address on 20 January 2009, Barack Obama declared to ‘all other peoples and governments who are watching today, ... know ... that we are ready to lead once more’. In the following four weeks to the publication of this report, President Obama has set the United States on a course that is meeting widespread approval around the world. He has ordered the closure as soon as possible of the Guantánamo Bay detention facilities and of other secret facilities outside the United States that had so undermined America’s international credibility with its allies and confirmed the anti-US narrative of its opponents. He has appointed special envoys for Middle East Peace and to implement an integrated strategy for both Afghanistan and Pakistan. He has offered to ‘seek a new way forward’ with the Muslim world as well as to ‘extend a hand’ to authoritarian governments if they are willing ‘to unclench [their] fist’. His Secretary of State, Hillary Clinton, has said that America will be more effective if it can ‘build a world with more partners and fewer adversaries’. Both have recognized the virtues of pragmatism over ideology and the reality of interdependence.

At the core of this ambitious international agenda lies the belief that America must strengthen its position of global leadership if it is to remain a ‘positive force in the world’.

But the call for a renewal of US leadership comes at a time when, as President Obama also recognized during his inauguration, ‘the world has changed’. This report looks at America’s future international role from an outside perspective and asks how American global leadership might be rethought in the context of a changed world. Its

conclusion is that the Obama administration needs to introduce an important shift in how America wields its power – leading directly where its leadership is still clearly needed, but also sharing leadership where partners have as much or more to offer, supporting international institutions where the need for collective response outweighs the value of American leadership and leading by example where collective responses are not yet being formed.

Constraints on US leadership

Barack Obama has taken on the US presidency at a time when many of the pillars of America’s international leadership have been weakened. For example:

- The chaos of the US financial collapse has given credibility to those who have long criticized the ‘Washington Consensus’ and its emphasis on deregulation and market liberalism as a model for national economic reform. It will be difficult to reassert US leadership on international financial and economic issues in this context.
 - Following the invasion of Iraq, the United States has become directly entangled in the instability of the Middle East, rather than serving as an external contributor to its security. This is constraining its room for diplomatic leadership in the region.
 - The spread of democracy that US governments have championed in recent decades has stalled and has even shifted into reverse in certain parts of the world, calling into question one of the lodestars of America’s international leadership.
 - America’s position of power relative to other key international actors such as China and the European Union is changing, as their leaders seek to define for themselves the parameters of future international cooperation.
 - New regional institutions that exclude the United States are on the rise from Southeast Asia to Latin America and cannot now be ignored.
 - A global political awakening, fed largely by the spread of the internet and satellite communications, is
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constraining the remit of national governments across the world, including their ability to follow a US lead where they might want to.

- Increasingly, the new global challenges to international security in areas ranging from climate change and energy security to terrorism, poverty and global health demand solutions where leadership by one country would be counter-productive.

The resilience of US power

It is true, of course, that the United States remains a unique power, first in terms of its aspiration to lead – an aspiration which is not challenged by any of the world’s rising powers, except, to a lesser extent, by the EU – and, second, in terms of its human and material resources, innate economic dynamism and market size. It is also and will remain by far the most powerful nation militarily, with a global reach and network of alliances that are unmatched. And it benefits from a still powerful corporate sector and influential non-governmental actors, which can spread US norms and practices across the globe.

‘The United States has created new antibodies to its global leadership role’

On the other hand, the United States has a political culture and system that are hostile to making the compromises on national interests and sovereignty which collective responses to global problems tend to demand. Simply bringing the United States during the next couple of years into line with multilateral initiatives recently undertaken by other nations could use up a large amount of President Obama’s great stock of domestic political capital.

The world faces a conundrum, then. Its current global challenges all require cooperative international solutions.

Achieving progress on these complex challenges will be difficult without the impetus of US leadership and power. But the United States has created new antibodies to its global leadership role.

Principles for future US leadership

In Barack Obama, much of the world sees a US president who can overcome these contradictions and help America adapt its leadership role and style to the changed world around it. This will be a difficult process. The United States needs to craft new ways of using its unique power and capacity to influence others. At the core of this new approach, it needs to focus on becoming more an enabler of change and less often its instigator. And, if it is going to lead, then it needs to lead more by example and less by intervention. What does this mean in practice?

1. TALK IT DOWN

President Obama and his administration must set the right tone in talking about America’s international role. This does not just mean highlighting America’s renewed commitment to multilateral cooperation and to alliances and institutions. It means recognizing that assertions of global leadership may be increasingly counter-productive. The risk of international disappointment will be intense if the United States proves unable to deliver meaningful solutions to key international challenges – from ending the Arab-Israeli conflict to helping achieve a comprehensive international deal to combat climate change. There is also the risk of a divide between the administration’s aspiration to lead as a force for good in the world and the reality of how the United States must pursue its national interests. The US national interest will not disappear under Barack Obama, whether in the Middle East or Central Asia, or over climate change and trade negotiations. And yet, what would have the most corrosive effect on renewing American leadership would be the impression that the United States is acting on the basis of hypocrisy or double standards.

2. RECOGNIZE THE NEW CONSTRAINTS ON US INFLUENCE IN BILATERAL RELATIONS

The Obama administration must digest the implications of the new constraints on US power. US leadership will remain central to the resolution of certain key crises, such as the Arab-Israeli conflict and the stand-off with Iran over its nuclear enrichment programme. However, US influence in most regions has declined in recent years, while the US economic model has lost some of its appeal. In this context, the US administration should concentrate wholeheartedly on promoting the conditions within which specific countries can develop their own routes to positive change for their citizens. The Bush administration leaves a strong legacy of well-funded foreign assistance programmes and a Millennium Challenge Corporation that has helped change the parameters of development assistance. President Obama can build on this approach and add his own initiatives, such as his proposal to create a Global Education Fund. Further opening US markets to goods from developing countries will also need to be a key part of the policy mix.

3. UNDERSTAND OPPONENTS BETTER; SUPPORT ALLIES MORE

The United States should now focus less on what it is demanding of its opponents and more on supporting its friends and allies. The actions of many of America's principal international competitors or opponents, such as Russia and Iran, are driven by internal political or strategic regional calculations over which current US policy has little or no influence. President Obama's intention that members of his administration engage more actively in dialogue with America's opponents is an important step forward in understanding these calculations. But it may not change the essence of the disagreement. Equally important, therefore, will be for US foreign policy to focus more now on how it supports its allies – in Europe, Latin America, the Middle East and Asia. By so doing, the United States will play to its strengths, run up less against the limits to its leadership

potential and still change to its advantage the context within which its opponents must then operate.

4. FOCUS MORE ON GOVERNANCE AND PROCESSES – LESS ON LEADERS AND PARTIES

In its efforts to promote positive change in countries of concern, the Obama administration should focus less on leaders and parties and more on governance and political processes. Previous Democratic and Republican presidents have often allowed personal relationships with leaders such as President Musharraf of Pakistan to dominate their policies, with negative outcomes for the most part. But supporting the creation of viable institutions and processes that promote good governance is more likely to establish a durable framework for positive change. President Obama's intention to strengthen the role of the US State Department should help achieve this rebalancing of effort, but it will also depend on increasing the financial resources for US diplomacy and the other instruments of US 'soft power'. Equally important will be ensuring that the diplomacy of the administration's special envoys does not recreate the same reliance on personal relationships and some of the interdepartmental competition which blighted parts of the Bush administration's foreign policy.

5. STRENGTHEN MULTILATERAL COOPERATION

The Obama administration will strengthen multilateral cooperation if it is willing to share leadership on certain occasions and serve as one among an equal grouping of institutional partners in others. Turning the transatlantic relationship into an effective player in tackling global challenges will depend upon how well the Obama administration can make this adjustment. China's and India's transition to being responsible global stakeholders will also depend on how they perceive their relationships with the United States. Insisting on US global leadership is unlikely to secure their cooperation across a range of issues, which is one of the reasons why the elevation of the G-20 into a more representative forum for consultation is so important.

There are numerous other opportunities for the Obama administration to play a leadership role in cooperation with others, from strengthening the UN system to renewing the Nuclear Non-Proliferation Treaty in such a way that non-proliferation remains a rational option for sovereign governments around the world, and helping craft the framework for a new global deal to combat climate change at the Copenhagen Climate Conference at the end of 2009.

6. LEAD BY EXAMPLE

Finally, the United States should lead by example to the greatest extent possible. President Obama made this commitment during his campaign and took immediate steps after his inauguration to underline the connection between US policy and the nation's ideals. Beyond closing the Guantánamo Bay detention facility, the administration could adapt its legal treatment of detainees in armed conflict, and encourage the inclusion in the mandates of peace-keeping missions of the obligation for them to cooperate with investigations by the International Criminal Court. The United States could also use domestic policies to lead the way in other areas of global interest.

President Obama's commitments to strengthen national environmental standards and to use federal procurement to drive higher levels of energy efficiency could be the basis for reaching new international environmental standards and benchmarks. Most important of all, at this critical time, America must not revert to protectionism. President Obama's national economic recovery strategy needs to serve as an example for the rest of the world of the progress that a dynamic and open but well-regulated market economy can achieve for its people.

While the United States may not be able to drive international solutions to its own design as successfully in the changed world of the 21st century as it did in the past, it will remain the world's most powerful nation, without which international problems will be impossible to solve and many of the world's most intractable conflicts will persist. President Obama has the opportunity to help America make the transition to a form of global leadership that focuses with full intensity upon those situations where US power and influence can have greatest effect, while being less interventionist where US power has declined and more inclusive in those broad policy areas where the reality of interdependence demands more cooperative international solutions.
