

America's Sticky Power

By Walter Russell Mead

Full Article

U.S. military force and cultural appeal have kept the United States at the top of the global order. But the hegemon cannot live on guns and Hollywood alone. U.S. economic policies and institutions act as "sticky power," attracting other countries to the U.S. system and then trapping them in it. Sticky power can help stabilize Iraq, bring rule of law to Russia, and prevent armed conflict between the United States and China.

Since its earliest years, the United States has behaved as global power. Not always capable of dispatching great fleets and mighty armies to every corner of the planet, the United States has nonetheless invariably kept one eye on the evolution of the global system, and the U.S. military has long served internationally. The United States has not always boasted the world's largest or most influential economy, but the country has always regarded trade in global terms, generally nudging the world toward economic integration. U.S. ideological impulses have also been global. The poet Ralph Waldo Emerson wrote of the first shot fired in the American Revolution as "the shot heard 'round the world," and Americans have always thought that their religious and political values should prevail around the globe.

Historically, security threats and trade interests compelled Americans to think globally. The British sailed across the Atlantic to burn Washington, D.C.; the Japanese flew from carriers in the Pacific to bomb Pearl Harbor. Trade with Asia and Europe, as well as within the Western Hemisphere, has always been vital to U.S. prosperity. U.S. President Thomas Jefferson sent the Navy to the Mediterranean to fight against the Barbary pirates to safeguard U.S. trade in 1801. Commodore Matthew Perry opened up Japan in the 1850s partly to assure decent treatment for survivors of sunken U.S. whaling ships that washed up on Japanese shores. And the last shots in the U.S. Civil War were fired from a Confederate commerce raider attacking Union shipping in the remote waters of the Arctic Ocean.

The rise of the United States to superpower status followed from this global outlook. In the 20th century, as the British system of empire and commerce weakened and fell, U.S. foreign-policymakers faced three possible choices: prop up the British Empire, ignore the problem and let the rest of the world go about its business, or replace Britain and take on the dirty job of enforcing a world order. Between the onset of World War I and the beginning of the Cold War, the United States tried all three, ultimately taking Britain's place as the gyroscope of world order.

However, the Americans were replacing the British at a moment when the rules of the game were changing forever. The United States could not become just another empire of great power playing the old games of dominance with rivals and allies. Such competition led to war, and war between great powers was no longer an acceptable part of the international system. No, the United States was going to have to attempt something that no other nation had ever accomplished, something that many theorists of international relations would swear was impossible. The United States needed to build a system that could end thousands of years of great power conflicts, constructing a framework of power that would bring enduring peace to the whole world--repeating globally what ancient Egypt, China, and Rome had each accomplished on a regional basis.

To complicate the task a bit more, the new hegemon would not be able to use some of the methods available to the Romans and others. Reducing the world's countries and civilizations to tributary provinces was beyond any military power the United States could or would bring to bear. The United States would have to develop a new way for sovereign states to coexist in a world of weapons of mass destruction and of prickly rivalries among religions, races, cultures, and states.

In his 2002 book, *The Paradox of American Power: Why the World's Only Superpower Can't Go It Alone*,

Harvard University political scientist Joseph S. Nye Jr. discusses the varieties of power that the United States can deploy as it builds its world order. Nye focuses on two types of power: hard and soft. In his analysis, hard power is military or economic force that coerces others to follow a particular course of action. By contrast, soft power--cultural power, the power of example, the power of ideas and ideals--works more subtly; it makes others want what you want. Soft power upholds the U.S. world order because it influences others to like the U.S. system and support it of their own free will [see sidebar on page 51].

Nye's insights on soft power have attracted significant attention and will continue to have an important role in U.S. policy debates. But the distinction Nye suggests between two types of hard power--military and economic power--has received less consideration than it deserves. Traditional military power can usefully be called sharp power; those resisting it will feel bayonets pushing and prodding them in the direction they must go. This power is the foundation of the U.S. system. Economic power can be thought of as sticky power, which comprises a set of economic institutions and policies that attracts others toward U.S. influence and then traps them in it. Together with soft power (the values, ideas, habits, and politics inherent in the system), sharp and sticky power sustain U.S. hegemony and make something as artificial and historically arbitrary as the U.S.-led global system appear desirable, inevitable, and permanent.

SHARP POWER

Sharp power is a very practical and unsentimental thing. U.S. military policy follows rules that would have been understandable to the Hittites or the Roman Empire. Indeed, the U.S. military is the institution whose command structure is most like that of Old World monarchies--the president, after consultation with the Joint Chiefs, issues orders, which the military, in turn, obeys.

Of course, security starts at home, and since the 1823 proclamation of the Monroe Doctrine, the cardinal principle of U.S. security policy has been to keep European and Asian powers out of the Western Hemisphere. There would be no intriguing great powers, no intercontinental alliances, and, as the United States became stronger, no European or Asian military bases from Point Barrow, Alaska, to the tip of Cape Horn, Chile.

The makers of U.S. security policy also have focused on the world's sea and air lanes. During peacetime, such lanes are vital to the prosperity of the United States and its allies; in wartime, the United States must control the sea and air lanes to support U.S. allies and supply military forces on other continents. Britain was almost defeated by Germany's U-boats in World War I and II; in today's world of integrated markets, any interruption of trade flows through such lanes would be catastrophic.

Finally (and fatefully), the United States considers the Middle East an area of vital concern. From a U.S. perspective, two potential dangers lurk in the Middle East. First, some outside power, such as the Soviet Union during the Cold War, can try to control Middle Eastern oil or at least interfere with secure supplies for the United States and its allies. Second, one country in the Middle East could take over the region and try to do the same thing. Egypt, Iran, and, most recently, Iraq have all tried and--thanks largely to U.S. policy--have all failed. For all its novel dangers, today's efforts by al Qaeda leader Osama bin Laden and his followers to create a theocratic power in the region that could control oil resources and extend dictatorial power throughout the Islamic world resembles other threats that the United States has faced in this region during the last 60 years.

As part of its sharp-power strategy to address these priorities, the United States maintains a system of alliances and bases intended to promote stability in Asia, Europe, and the Middle East. Overall, as of the end of September 2003, the United States had just over 250,000 uniformed military members stationed outside its frontiers (not counting those involved in Operation Iraqi Freedom); around 43 percent were stationed on NATO territory and approximately 32 percent in Japan and South Korea. Additionally, the United States has the ability to transport significant forces to these theaters and to the Middle East should tensions rise, and it preserves the ability to control the sea lanes and air corridors necessary to the security of its forward bases. Moreover, the United States

maintains the world's largest intelligence and electronic surveillance organizations. Estimated to exceed \$30 billion in 2003, the U.S. intelligence budget is larger than the individual military budgets of Saudi Arabia, Syria, and North Korea.

Over time, U.S. strategic thinking has shifted toward overwhelming military superiority as the surest foundation for national security. That is partly for the obvious reasons of greater security, but it is partly also because supremacy can be an important deterrent. Establishing an overwhelming military supremacy might not only deter potential enemies from military attack; it might also discourage other powers from trying to match the U.S. buildup. In the long run, advocates maintain, this strategy could be cheaper and safer than staying just a nose in front of the pack.

STICKY POWER

Economic, or sticky, power is different from both sharp and soft power--it is based neither on military compulsion nor on simple coincidence of wills. Consider the carnivorous sundew plant, which attracts its prey with a kind of soft power, a pleasing scent that lures insects toward its sap. But once the victim has touched the sap, it is stuck; it can't get away. That is sticky power; that is how economic power works.

Sticky power has a long history. Both Britain and the United States built global economic systems that attracted other countries. Britain's attracted the United States into participating in the British system of trade and investment during the 19th century. The London financial markets provided investment capital that enabled U.S. industries to grow, while Americans benefited from trading freely throughout the British Empire. Yet, U.S. global trade was in some sense hostage to the British Navy--the United States could trade with the world as long as it had Britain's friendship, but an interruption in that friendship would mean financial collapse. Therefore, a strong lobby against war with Britain always existed in the United States. Trade-dependent New England almost seceded from the United States during the War of 1812, and at every crisis in Anglo-American relations for the next century, England could count on a strong lobby of merchants and bankers who would be ruined by war between the two English-speaking powers.

The world economy that the United States set out to lead after World War II had fallen far from the peak of integration reached under British leadership. The two world wars and the Depression ripped the delicate webs that had sustained the earlier system. In the Cold War years, as it struggled to rebuild and improve upon the Old World system, the United States had to change both the monetary base and the legal and political framework of the world's economic system.

The United States built its sticky power on two foundations: an international monetary system and free trade. The Bretton Woods agreements of 1944 made the U.S. dollar the world's central currency, and while the dollar was still linked to gold at least in theory for another generation, the U.S. Federal Reserve could increase the supply of dollars in response to economic needs. The result for almost 30 years was the magic combination of an expanding monetary base with price stability. These conditions helped produce the economic miracle that transformed living standards in the advanced West and in Japan. The collapse of the Bretton Woods system in 1973 ushered in a global economic crisis, but, by the 1980s, the system was functioning almost as well as ever with a new regime of floating exchange rates in which the U.S. dollar remained critical.

The progress toward free trade and economic integration represents one of the great unheralded triumphs of U.S. foreign policy in the 20th century. Legal and economic experts, largely from the United States or educated in U.S. universities, helped poor countries build the institutions that could reassure foreign investors, even as developing countries increasingly relied on state-directed planning and investment to jump-start their economies. Instead of gunboats, international financial institutions sent bankers and consultants around the world.

Behind all this activity was the United States' willingness to open its markets--even on a nonreciprocal basis--to

exports from Europe, Japan, and poor nations. This policy, part of the overall strategy of containing communism, helped consolidate support around the world for the U.S. system. The role of the dollar as a global reserve currency, along with the expansionary bias of U.S. fiscal and monetary authorities, facilitated what became known as the "locomotive of the global economy" and the "consumer of last resort." U.S. trade deficits stimulated production and consumption in the rest of the world, increasing the prosperity of other countries and their willingness to participate in the U.S.-led global economy.

Opening domestic markets to foreign competitors remained (and remains) one of the most controversial elements in U.S. foreign policy during the Cold War. U.S. workers and industries facing foreign competition bitterly opposed such openings. Others worried about the long-term consequences of the trade deficits that transformed the United States into a net international debtor during the 1980s. Since the Eisenhower administration, predictions of imminent crises (in the value of the dollar, domestic interest rates, or both) have surfaced whenever U.S. reliance on foreign lending has grown, but those negative consequences have yet to materialize. The result has been more like a repetition on a global scale of the conversion of financial debt to political strength pioneered by the founders of the Bank of England in 1694 and repeated a century later when the United States assumed the debt of the 13 colonies.

In both of those cases, the stock of debt was purchased by the rich and the powerful, who then acquired an interest in the stability of the government that guaranteed the value of the debt. Wealthy Englishmen opposed the restoration of the Stuarts to the throne because they feared it would undermine the value of their holdings in the Bank of England. Likewise, the propertied elites of the 13 colonies came to support the stability and strength of the new U.S. Constitution because the value of their bonds rose and fell with the strength of the national government.

Similarly, in the last 60 years, as foreigners have acquired a greater value in the United States--government and private bonds, direct and portfolio private investments--more and more of them have acquired an interest in maintaining the strength of the U.S.-led system. A collapse of the U.S. economy and the ruin of the dollar would do more than dent the prosperity of the United States. Without their best customer, countries including China and Japan would fall into depressions. The financial strength of every country would be severely shaken should the United States collapse. Under those circumstances, debt becomes a strength, not a weakness, and other countries fear to break with the United States because they need its market and own its securities. Of course, pressed too far, a large national debt can turn from a source of strength to a crippling liability, and the United States must continue to justify other countries' faith by maintaining its long-term record of meeting its financial obligations. But, like Samson in the temple of the Philistines, a collapsing U.S. economy would inflict enormous, unacceptable damage on the rest of the world. That is sticky power with a vengeance.

THE SUM OF ALL POWERS?

The United States' global economic might is therefore not simply, to use Nye's formulations, hard power that compels others or soft power that attracts the rest of the world. Certainly, the U.S. economic system provides the United States with the prosperity needed to underwrite its security strategy, but it also encourages other countries to accept U.S. leadership. U.S. economic might is sticky power.

How will sticky power help the United States address today's challenges? One pressing need is to ensure that Iraq's economic reconstruction integrates the nation more firmly in the global economy. Countries with open economies develop powerful trade-oriented businesses; the leaders of these businesses can promote economic policies that respect property rights, democracy, and the rule of law. Such leaders also lobby governments to avoid the isolation that characterized Iraq and Libya under economic sanctions. And looking beyond Iraq, the allure of access to Western capital and global markets is one of the few forces protecting the rule of law from even further erosion in Russia.

China's rise to global prominence will offer a key test case for sticky power. As China develops economically, it should gain wealth that could support a military rivaling that of the United States; China is also gaining political influence in the world. Some analysts in both China and the United States believe that the laws of history mean that Chinese power will someday clash with the reigning U.S. power.

Sticky power offers a way out. China benefits from participating in the U.S. economic system and integrating itself into the global economy. Between 1970 and 2003, China's gross domestic product grew from an estimated \$106 billion to more than \$1.3 trillion. By 2003, an estimated \$450 billion of foreign money had flowed into the Chinese economy. Moreover, China is becoming increasingly dependent on both imports and exports to keep its economy (and its military machine) going. Hostilities between the United States and China would cripple China's industry, and cut off supplies of oil and other key commodities.

Sticky power works both ways, though. If China cannot afford war with the United States, the United States will have an increasingly hard time breaking off commercial relations with China. In an era of weapons of mass destruction, this mutual dependence is probably good for both sides. Sticky power did not prevent World War I, but economic interdependence runs deeper now; as a result, the "inevitable" U.S.-Chinese conflict is less likely to occur.

Sticky power, then, is important to U.S. hegemony for two reasons: It helps prevent war; and, if war comes, it helps the United States win. But to exercise power in the real world, the pieces must go back together. Sharp, sticky, and soft power work together to sustain U.S. hegemony. Today, even as the United States' sharp and sticky power reach unprecedented levels, the rise of anti-Americanism reflects a crisis in U.S. soft power that challenges fundamental assumptions and relationships in the U.S. system. Resolving the tension so that the different forms of power reinforce one another is one of the principal challenges facing U.S. foreign policy in 2004 and beyond.

Power Goes Soft

Soft power is the second half of the equation Harvard University political scientist Joseph S. Nye Jr. first presented in his 1990 essay "Soft Power" in *FOREIGN POLICY*. As opposed to hard power, which encompasses military and economic might, soft power is the power of attraction to U.S. ideals and culture. It draws others to support or at least accept U.S. hegemony and policy. During the Cold War, for instance, U.S. anti-imperialism was an important facet of soft power. The United States never built a large colonial empire, and often it actively pressed European states to grant independence to their colonies after World War II. Political democracy and human rights have global appeal; when the United States is seen as supporting these values, U.S. soft power grows.

After World War II, the U.S. government worked to build a global system with broad international support, but the actions of U.S. companies, nonprofits, universities, and millions of individuals provided the real energy. Elvis Presley, Walt Disney, and Marilyn Monroe did as much to carry out this project as former U.S. Secretary of State John Foster Dulles and former U.S. Treasury Secretary C. Douglas Dillon. And W. Edwards Deming, the productivity guru who transformed postwar Japanese industry, had an influence rivaling that of Gen. Douglas MacArthur. And multinationals originally based in the United States extended their sales, production, and management around the world, recruiting talented non-U.S. citizens and propelling the most successful into corporate leadership. The activity of these companies in helping to create a multinational, multicultural workspace in a climate of mutual respect remains critical to the success of the U.S. project for the free world.

The desire of tens of millions of people around the world to live in the United States is also powerful evidence of soft power. The remittances that immigrants send to their families back home give people worldwide a stake in U.S. success and a sense of participation in American life. Also, hundreds of thousands of foreign students come to the United States to study each year. While not all return home loving the United States, many come away with new networks of friends and contacts.

Finally, the generosity of U.S. humanitarian assistance abroad enhances U.S. soft power. Conventional surveys rank the United States among the world's less generous powers when considering only official development aid. However, as former U.S. Agency for International Development official Carol C. Adelman has argued, such development assistance comprises only 17 percent of total U.S. giving overseas. When remittances are included, 61 percent of all U.S. assistance comes from the private sector, and international giving by U.S. foundations now reaches some \$3 billion per year. Private giving may have more impact on foreign perceptions than government assistance--and thus strengthens U.S. soft power.

A Sticky History Lesson

Germany's experience in World War I shows how "sticky power"--the power of one nation's economic institutions and policies--can act as a weapon. During the long years of peace before the war, Germany was drawn into the British-led world trading system, and its economy became more and more trade-dependent. Local industries depended on imported raw materials. German manufacturers depended on foreign markets. Germany imported wheat and beef from the Americas, where the vast and fertile plains of the United States and the pampas of South America produced food much more cheaply than German agriculture could do at home. By 1910, such economic interdependence was so great that many, including Norman Angell, author of *The Great Illusion*, thought that wars had become so ruinously expensive that the age of warfare was over.

Not quite. Sticky power failed to keep World War I from breaking out, but it was vital to Britain's victory. Once the war started, Britain cut off the world trade Germany had grown to depend upon, while, thanks to Britain's Royal Navy, the British and their allies continued to enjoy access to the rest of the world's goods. Shortages of basic materials and foods dogged Germany all during the war. By the winter of 1916-17, the Germans were seriously hungry. Meanwhile, hoping to even the odds, Germany tried to cut the Allies off from world markets with the U-boat campaigns in the North Atlantic. That move brought the United States into the war at a time when nothing else could have saved the Allied cause.

Finally, in the fall of 1918, morale in the German armed forces and among civilians collapsed, fueled in part by the shortages. These conditions, not military defeat, forced the German leadership to ask for an armistice. Sticky power was Britain's greatest weapon in World War I. It may very well be the United States' greatest weapon in the 21st century.

Want to Know More

Joseph S. Nye Jr. introduced the concept of soft power in his seminal essay "Soft Power" (*FOREIGN POLICY*, Fall 1990). His more recent *The Paradox of American Power: Why The World's Only Superpower Can't Go It Alone* (New York: Oxford University Press, 2002) is the best and the most original Book on how the United States can deploy different kinds of power.

The ancient Greek historian Thucydides is often credited with developing the basic doctrines of foreign policy realism in his classic *The History of the Peloponnesian War* (New York: Harper & brothers, 1836), but soft power played a major role in his account of the war between Athens and Sparta. Reading premodern histories, such as Livy's *History of Rome* (New York: Harper & brothers, 1982) and Ibn Khaldun's *Muqaddimah: An Introduction to History* (New York: Pantheon Books, 1958), with Nye's distinctions in mind will provide food for thought about the different forms that power can take.

For insight on the tangled relationship between Britain and the United States and U.S. global interest during the 18th and 19th century, see Walter Russell Mead's *Special Providence: American Foreign Policy and How It Changed the World* (New York: Knopf, 2001). Robert Jervis explains how the United States has always defined its interest globally in "The Compulsive Empire" (*FOREIGN POLICY*, July/August 2003). Robert Skidelsky's

John Maynard Keynes: Fighting for Freedom, 1937-1946 (New York: Viking Press, 2001) describes the economic concerns of British and U.S. authorities as they looked to build the post-World War II global financial system. Charles P. Kindleberger's classic A Financial History of Western Europe (Boston: Allen & Unwin, 1984) illuminates Bretton Woods and a wide range of sticky-power issues. See also Carol C. Adelman's "The Privatization of Foreign Aid: Reassessing National Largesse" (Foreign Affairs, November/December 2003).

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NOTE: All illustrations and photos have been removed from this article.

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